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FAIRCHILD'S FINANCIAL MANUAL OF RETAIL STORES 1990/1991

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Editor's Note: In order to present a clearer picture of a company's involvement in the Retail field, we have, in some cases, included only those divisions and subsidiaries related to Retail.

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1989 STATISTICS FOR LEADING U.S. & CANADIAN FOOD CHAINS

Company	Sales (000's) 1989	Sales (000's) 1988	% Change	Net Income (000's) 1989	Net Income (000's) 1988	% Change	% Net Income to Sales 1989	% Net Income to Sales 1988	Pre-Tax Income (000's) 1989	Pre-Tax Income (000's) 1988	Shareholders' Equity (000's) 1989	Shareholders' Equity (000's) 1988	% Net Income to Shareholders' Equity 1989	% Net Income to Shareholders' Equity 1988
Amer. Stores†	$22,004,154	$18,478,354	+ 19.08	$118,129	$98,251	+ 20.23	0.54	0.53	$250,338	$207,103	$1,201,811	$1,118,427	9.83	8.78
Kroger (A)	19,103,671	19,053,020	+ 0.27	(72,722)	34,522	—	—	0.18	(8.739)	51,838	(2,965,543)	(2,678,509)	—	—
Great A&P	11,147,997	10,067,776	+ 10.73	146,698	127,582	+ 14.98	1.32	1.27	250,798	223,782	1,092,164	970,843	13.43	13.14
Super Valu	11,136,026	10,296,325	+ 8.16	147.746	137,468	+ 7.48	1.33	1.34	243,486	224,397	869,891	763,706	16.98	18.00
Geo. Weston (B)	10,459,000	10,831,200	− 3.44	187,300	190,500	− 1.68	1.79	1.76	269,800	244,300	1,191,100	1,131,600	15.72	16.83
Winn-Dixie*	9,151,145	9,007,707	+ 1.59	134,545	116,694	+ 15.30	1.47	1.30	197,860	168,824	783,173	726,348	17.18	16.07
Southland (C)	8,274,921	7,950,284	+ 4.08	(1,306,913)	(216,231)	—	—	—	(1,332,260)	(397,132)	(1,715,811)	(387,559)	—	—
Loblaw (D)	7,933,900	8,307,600	− 4.50	70,200	26,200	+ 167.94	0.88	0.32	110,900	64,500	746,000	[illegible],000	9.41	4.02
Albertson's	7,422,663	6,773,061	+ 9.59	196,551	162,545	+ 20.92	2.65	2.40	309,776	256,994	929,492	800,496	21.15	20.31
Supermkts. Gen † (E)	6,298,748	5,962,162	+ 5.65	(76,525)	(58,863)	—	—	—	(105,815)	(83,236)	(116,960)	(27,275)	—	—
Vons	5,220,700	3,916,600	+ 33.30	(25,100)	(23,900)	—	—	—	(24,009)	(22,400)	190,000	214,000	—	—
Oshawa*	4,948,153	4,274,535	+ 15.76	69,570	56,870	+ 22.33	1.41	1.33	114,002	99,406	552,862	389,645	12.58	14.60
Food Lion	4,717,066	3,815,426	+ 23.63	139,776	112,541	+ 24.20	2.96	2.95	230,475	182,241	538,454	430,786	25.96	26.12
Circle K	3,686,314	3,441,384	+ 7.12	(772,869)	15,414	—	—	0.45	(834,434)	26,781	(451,567)	330,396	—	4.67
Giant Food	3,248,942	2,987,154	+ 8.76	108,399	97,967	+ 10.65	3.34	3.28	179,188	159,070	493,064	427,660	21.98	22.91
Penn Traffic † (F)	2,699,847	1,179,924	+ 128.82	(29,151)	(8,430)	—	—	—	(29,146)	(10,912)	5,863	32,032	—	—
Nash Finch	2,195,011	2,069,583	+ 6.06	13,152	18,175	− 27.64	0.60	0.88	21,162	29,034	157,024	151,043	8.38	12.03
Hannaford	1,520,600	1,261,668	+ 20.52	39,302	28,949	+ 35.76	2.58	2.29	62,448	48,698	214,059	167,105	18.36	17.32
Ruddick*	1,300,672	1,127,218	+ 15.39	20,190	18,379	+ 9.85	1.55	1.63	33,153	30,969	158,921	144,727	12.70	12.70
Weis Mkts.*	1,239,272	1,189,236	+ 4.21	86,429	82,624	+ 4.61	6.97	6.95	134,010	129,908	567,266	509,819	15.24	16.21
Riser (G)	1,083,130	—	—	(12,728)	—	—	—	—	(7,022)	—	23,583	36,065	—	—
Nat'l. Convenience	1,072,507	914,980	+ 17.22	(8,858)	6,754	—	—	0.74	(14,524)	215	64,140	74,613	—	9.05
Marsh	992,306	894,919	+ 10.88	10,723	8,518	+ 25.89	1.08	0.95	15,847	12,328	71,532	63,134	14.99	13.49
Ingles	903,831	780,497	+ 15.80	15,883	14,149	+ 12.26	1.76	1.81	25,783	22,924	124,552	110,414	12.75	12.81
Delchamps†	899,532	863,005	+ 4.23	12,140	9,802	+ 23.85	1.35	1.14	17,822	12,653	76,789	69,887	15.81	14.03
Foodarama	571,269	496,188	+ 15.13	1,150	3,504	− 67.18	0.20	0.71	1,975	5,656	31,342	30,436	3.67	11.51
Dairy Mart	536,290	519,876	+ 3.16	682	4,106	− 83.39	0.13	0.79	1,259	7,758	30,966	30,049	2.20	13.66
Super Rite (H)	415,253	461,573	− 10.04	2,330	728	+ 220.05	0.56	0.16	4,219	5,815	231,496	124,532	1.01	0.58
Arden (I)	346,909	350,156	− 0.93	11,836	10,205	+ 15.98	3.41	2.91	20,546	17,926	48,903	37,372	24.20	27.31

NOTE: Big V Supermarkets is a private company; no financial information is available.

The Grand Union Company, a wholly-owned subsidiary of GU Acquisition Corporation is a private company. No current information is available. Sales for the year ending 4/1/89 were $2,716,896,000.

Lucky Stores was acquired by American Stores on June 9, 1989.

There is no current information available for Steinberg's; sales for the year ending 7/30/88 were $4,584,685,000.

The criterion for inclusion in this list that the sales of each chain be at least $300,000,000.

In some instances, comparative figures for 1988 have been restated for various reasons.

( ) Designates a loss.
N.A. Not Available.
† 53 weeks in 1989; 52 weeks in 1988.
* 52 weeks in 1989; 53 weeks in 1988.

FOOTNOTES:

(A) Net income of Kroger includes an extraordinary loss of $56,471,000 in 1989.

(B) Net income of George Weston includes extraordinary gains of $37,400,000 in 1989 and $53,100,000 in 1988.

(C) Southland Corporation is 75%-owned by Ito-Yokado Co., Ltd. and 7-Eleven Japan Co., Ltd. Net income includes discontinued operations in both years and extraordinary loss of $56,047,000 in 1989.

(D) Net income of Loblaw Cos. includes an extraordinary loss of $14,600,000 in 1988. The company is 77%-owned by George Weston Limited.

(E) Supermarkets General Holdings is a privately-held company.

(F) Penn Traffic is 53%-owned by Riverside Acquisition Co., an affiliate of Miller Tabak Hirsch + Co.

(G) Figures for the period ending 7/2/88 are for 24 days. Sales were $73,902,000 and net income was $159,000. There was an extraordinary loss of $5,706,000 in 1989.

(H) Super Rite Food Holdings went private via a leveraged buyout, August 8, 1989. The period ending 3/3/90 is 23 weeks and the period ending 9/21/89 is 29 weeks.

(I) Net income of Arden Group includes extraordinary gains of $16,000 in 1989 and $12,000 in 1988.

1989 STATISTICS FOR LEADING DEPARTMENT STORES

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
Dayton Hudson	$13,644,000	$12,204,000	11.8	$ 410,000	$ 287,000	42.9	3.0	2.4	$ 678,000	$ 472,000	$ 1,753,000	$ 1,861,000	22.7
May Department Stores	9,602,000	8,874,000	8.2	498,000	534,000	-6.7	5.2	6.0	799,000	690,000	2,319,000	3,050,000	18.6
Dillard's	3,049,062	2,558,395	19.2	148,092	113,829	30.1	4.9	4.4	227,892	172,529	1,094,721	752,178	16.0
Carter Hawley Hale (1)	2,787,393	2,617,143	6.5	13,470	17,660	-23.7	0.5	0.7	172,764	151,110	(211,617)	(230,191)	-6.1
Mercantile	2,312,802	2,265,500	2.1	130,343	144,462	-9.8	5.6	6.4	213,043	236,670	1,077,321	980,875	12.7
Strawbridge & Clothier	950,306	904,196	5.1	31,159	27,270	14.3	3.3	3.0	51,726	45,026	234,777	210,761	14.0
Gottschalks	244,272	202,209	20.8	3,401	5,198	-34.6	1.4	2.6	5,690	8,090	51,831	49,717	6.7
Crowley Milner	113,622	110,741	2.6	85	686	-87.6	0.1	0.6	25	1,029	18,862	19,286	0.4
TOTAL	32,703,457	29,736,184	10.0	1,234,550	1,130,105	9.2	3.8	3.8	2,148,140	1,776,454	6,337,895	6,693,626	18.9

(1) Years ending July 1989 and 1988.

1989 STATISTICS FOR LEADING SPECIALTY STORES

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
Melville	$ 7,553,971	$ 6,780,359	11.4	$ 398,076	$ 354,510	12.3	5.3	5.2	$ 648,704	$ 585,605	$ 1,618,285	$ 1,706,263	23.9
The Limited	4,647,916	4,070,777	14.2	346,926	245,136	41.5	7.5	6.0	573,926	396,136	1,240,454	946,207	31.7
Nordstrom	2,671,114	2,327,946	14.7	114,909	123,332	-6.8	4.3	5.3	179.409	198,432	733,250	639,941	16.7
TJX (formerly Zayre's)	2,148,735	1,920,795	11.9	(78,275)	(167,815)	N/A	-3.6	-8.7	134,124	115,998	228,451	543,492	N/A
The Gap	1,586,596	1,252,097	26.7	97,628	74,231	31.5	6.2	5.9	162,714	125,816	337,972	276,399	31.8
Neiman Marcus (1)	1,467,504	1,223,162	20.0	862	(17,829)	N/A	0.1	-1.5	43,549	30,480	(21,600)	(16,900)	N/A
Petrie Stores	1,257,522	1,218,341	3.2	32,265	92,182	-65.0	2.6	7.6	53,410	58,348	644,196	621,309	5.1
Edison Bros	1,073,500	918,600	16.9	61,200	36,300	68.6	5.7	4.0	97,500	60,200	243,500	212,900	26.8
Charming Shoppes	808,637	725,197	11.5	36,410	38,151	-4.6	4.5	5.3	52,942	56,369	262,455	228,941	14.8
Merry-Go-Round	478,923	298,938	60.2	22,245	11,160	99.3	4.6	3.7	35,879	18,000	103,271	63,795	26.6
Jacobson's	394,181	356,504	10.6	11,801	11,035	6.9	3.0	3.1	17,477	16,335	85,566	76,536	14.6
Gantos	238,156	170,247	39.9	7,004	4,214	66.2	2.9	2.5	11,343	6,643	52,400	25,283	18.0
Paul Harris Shops	235,978	194,877	21.1	1,939	(5,641)	N/A	0.8	-2.9	3,251	(11,458)	47,192	45,783	N/A
Deb Shops	201,899	194,050	4.0	17,640	13,750	28.3	8.7	7.1	27,329	21,700	85,996	70,636	22.5
Evans	151,193	148,029	2.1	(10,442)	(3,792)	N/A	-6.9	-2.7	(13,134)	(6,661)	37,616	48,081	N/A
Kenwin Shops	27,024	26,169	3.3	37	(260)	N/A	0.1	-1.0	52	(488)	6,572	6,535	N/A
TOTAL	23,475,345	20,602,926	13.9	1,059,363	826,313	28.2	4.5	4.0	1,984,926	1,640,975	5,787,176	5,512,101	18.8

(1)Years ending July 1989 and 1988.
(Reprinted from *Daily News Record*, August 29, 1990.)

1989 STATISTICS FOR LEADING U.S. & CANADIAN DRUG CHAINS

Company	Sales (000's) 1989	Sales (000's) 1988	% Change	Net Income (000's) 1989	Net Income (000's) 1988	% Change	% Net Income to Sales 1989	% Net Income to Sales 1988	Pre-Tax Income (000's) 1989	Pre-Tax Income (000's) 1988	Shareholders' Equity (000's) 1989	Shareholders' Equity (000's) 1988	% Net Income to Shareholders' Equity 1989	% Net Income to Shareholders' Equity 1988
Imasco (A)	$5,724,700	$6,000,600	− 4.60	$366,100	$204,300	+ 79.20	6.40	3.40	$464,200	$390,600	$2,610,400	$2,261,000	14.02	9.04
Walgreen	5,380,133	4,883,520	+ 10.17	154,242	129,062	+ 19.51	2.87	2.64	243,839	208,970	823,401	712,644	18.73	18.11
Rite Aid (B)	3,172,797	2,868,297	+ 10.62	102,058	95,210	+ 7.19	3.22	3.32	133,814	151,258	704,413	636,184	14.49	14.97
Thrifty Corp. (C)	3,114,000	2,400,000	+ 29.75	68,000	66,000	+ 3.03	2.18	2.75	—	—	—	—	—	—
Longs Drug	2,110,574	1,925,451	+ 9.61	61,294	55,858	+ 9.73	2.90	2.90	100,994	92,658	335,822	309,077	18.25	18.07
J.C. Penney (D)	987,000	882,000	+ 11.90	—	—	—	—	—	—	—	—	—	—	—
Perry Drug (E)	669,605	666,981	+ 0.39	7,112	(29,918)	—	1.06	—	7,112	(12,571)	50,314	42,904	14.14	—
Fay's Inc.	574,061	526,627	+ 9.01	10,363	10,012	+ 3.51	1.81	1.90	15,902	16,525	67,779	58,951	15.29	16.98
Big B†	417,717	271,276	+ 53.98	3,715	7,216	− 48.52	0.89	2.66	5,803	10,513	69,304	66,103	5.36	10.92
Genovese	405,126	366,412	+ 10.57	2,771	5,524	− 49.84	0.68	1.51	4,862	9,643	36,106	34,687	7.67	15.93
Oshawa (F)	397,300	170,900	+ 132.48	—	—	—	—	—	—	—	—	—	—	—

NOTE: The criterion for inclusion in this list is that the sales of the chain be at least $300,000,000. K mart Corporation owns Pay Less Drug Stores NW but does not break down its revenues by line of business.

( ) Designates a loss.
† 53 weeks in 1989; 52 weeks in 1988.
* 52 weeks in 1989; 53 weeks in 1988.

FOOTNOTES:
(A) Net income of Imasco includes an extraordinary loss of $110,000,000 in 1988. Drug store segment sales are $1,343,400,000 in 1989 and $2,036,500,000 in 1988.
(B) Net income of Rite Aid includes discontinued operations in both years.
(C) Thrifty Corporation is a subsidiary of Pacific Enterprises; figures are for the Thrifty segment only.
(D) Sales of J.C. Penney are for the drug store segment only.
(E) The drug store segment sales of Perry Drug are $645,209,000 in 1989 and $646,279,000 in 1988. Net income includes discontinued operations in 1988.
(F) Figures for the Oshawa Group are for the drug store segment only. The segment is made up of Kent Drugs and Pharma Plus Drugmarts.

1989 STATISTICS FOR LEADING U.S. & CANADIAN SHOE CHAINS

Company	Sales (000's) 1989	Sales (000's) 1988	% Change	Net Income (000's) 1989	Net Income (000's) 1988	% Change	% Net Income to Sales 1989	% Net Income to Sales 1988	Pre-Tax Income (000's) 1989	Pre-Tax Income (000's) 1988	Shareholders' Equity (000's) 1989	Shareholders' Equity (000's) 1988	% Net Income to Shareholders' Equity 1989	% Net Income to Shareholders' Equity 1988
Melville	$7,553,971	$6,780,359	+ 11.41	$398,076	$354,510	+ 12.29	5.27	5.23	$648,704	$585,605	$1,618,285	$1,706,263	24.60	20.78
Kinney Shoe (A)	3,042,000	2,574,000	+ 18.18	—	—	—	—	—	—	—	—	—	—	—
Nordstrom	2,671,114	2,327,946	+ 14.74	114,909	123,332	− 6.83	4.30	5.30	179,409	198,432	733,250	639,941	15.67	19.27
U.S. Shoe†	2,557,158	2,343,045	+ 9.14	49,187	12,965	+ 279.38	1.92	0.55	82,301	20,744	548,561	516,632	8.97	2.51
Brown Group (B)	1,820,547	1,706,565	+ 6.68	33,827	8,283	+ 308.39	1.86	0.49	46,562	48,414	338,963	332,705	9.98	2.49
Edison Bros. (C)	1,073,500	918,600	+ 16.86	56,900	36,300	+ 56.75	5.30	3.95	97,500	60,200	243,500	212,900	23.37	17.05
INTERCO. (D)	745,676	915,447	− 18.55	—	—	—	—	—	—	—	—	—	—	—
Genesco (E)	492,248	462,766	+ 6.37	18,871	15,156	+ 24.51	3.83	3.28	19,812	15,699	152,551	118,630	12.37	12.78
Stride Rite (F)	454,373	378,788	+ 19.95	45,672	31,786	+ 43.69	10.05	8.39	76,898	57,528	166,662	134,030	27.40	23.72

NOTE: The criterion for inclusion in this list is that the sales of each chain be at least $300,000,000.

( ) Designates a loss.
† 53 weeks in 1989; 52 weeks in 1988.
* 52 weeks in 1989; 53 weeks in 1988.

FOOTNOTES:
(A) Kinney Shoe is a subsidiary of Woolworth Corporation. Figures are for Kinney only.
(B) Sales for the footwear segment of Brown Group are $1,608,014,000 in 1989 and $1,510,469,000 in 1988. Net income includes discontinued operations in both years.
(C) Sales for the footwear segment of Edison Bros. are $479,200,000 in 1989 and $459,600,000 in 1988. Net income includes an extraordinary loss of $4,300,000 in 1989.
(D) Sales for INTERCO are for the footwear segment only.
(E) Sales for the footwear segment of Genesco are $358,048,000 in 1989 and $338,017,000 in 1988.
(F) Net income for Stride Rite includes discontinued operations in both years.

1989 STATISTICS FOR LEADING MASS MERCHANDISERS

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
Sears, Roebuck (1)	31,599,000	30,256,000	4.4	647,000	524,400	23.4	2.0	1.7	1,136,000	333,300	13,622,100	14,054,900	4.7
K mart	29,533,000	27,301,000	8.2	323,000	803,000	-59.8	1.1	2.9	515,000	1,244,000	4,972,000	5,009,000	6.5
J.C. Penney	16,103,000	14,833,000	8.6	802,000	807,000	-0.6	5.0	5.4	1,170,000	1,192,000	4,353,000	3,957,000	19.3
Woolworth	8,820,000	8,088,000	9.1	329,000	288,000	14.2	3.7	3.6	514,000	444,000	2,076,000	1,844,000	16.8
TOTAL	86,055,000	80,478,000	6.9	2,101,000	2,422,400	-13.3	2.4	3.0	3,515,000	3,213,300	25,023,100	24,864,900	8.4

(1) Merchandising Division

1989 STATISTICS FOR LEADING DISCOUNT STORES

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
Wal-Mart	25,810,656	20,649,001	25.0	1,075,900	837,221	28.5	4.2	4.1	1,707,500	1,325,467	3,965,561	3,007,909	30.9
Rose's Stores	1,507,560	1,439,279	4.7	8,926	16,356	-45.4	0.6	1.1	14,326	26,456	204,574	199,834	4.4
Jamesway	855,124	782,504	9.3	5,785	9,680	-40.2	0.7	1.2	9,039	15,642	132,967	127,991	4.4
Family Dollar (1)	756,887	669,493	13.1	21,517	27,334	-21.3	2.8	4.1	35,087	44,179	179,136	167,305	12.4
TOTAL	28,930,227	23,540,277	22.9	1,112,128	890,591	24.9	3.8	3.8	1,765,952	1,411,744	4,482,238	3,503,039	27.9

(1) Years ending August 1989 and 1988

1989 STATISTICS FOR LEADING OFF-PRICE STORES

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
Burlington Coat Factory (1)	763,008	655,358	16.4	25,547	25,935	-1.5	3.3	4.0	39,716	39,445	223,570	193,809	12.2
Ross Stores	740,929	634,247	16.8	29,840	26,250	13.7	4.0	4.1	47,253	36,972	103,768	114,286	27.4
Syms	256,756	282,555	-9.1	19,218	18,736	2.6	7.5	6.6	32,952	30,921	136,988	117,550	15.1
Dress Barn (2)	249,201	204,968	21.6	18,936	15,832	19.6	7.6	7.7	29,745	25,041	75,985	55,982	28.7
Clothestime	187,616	171,510	9.4	461	(2,163)	N/A	0.2	-1.3	1,149	(4,838)	41,505	40,170	1.1
TOTAL	2,197,510	1,948,638	12.8	94,002	84,590	11.1	4.3	4.3	150,815	127,541	581,816	521,797	17.0

(1) Four quarters ending March 1990 and 1989.

(2) Years ending July 1989 and 1988.

1989 STATISTICS FOR LEADING MISCELLANEOUS

(000s omitted)	Sales 1989	Sales 1988	% Chg	Profits 1989	Profits 1988	% Chg	Profits To Sales 1989	Profits To Sales 1988	Pre-Tax Profit 1989	Pre-Tax Profit 1988	Shareholder Equity 1989	Shareholder Equity 1988	Profit to Avg. Equity
McCrory	1,393,281	1,400,248	-0.5	(157,887)	2,669	N/A	-11.3	0.2	(81,226)	10,259	330,957	289,400	N/A
Dollar General	615,148	612,985	0.4	12,377	10,015	23.6	2.0	1.6	20,320	16,164	120,640	111,594	10.7
Blair Corp	431,608	418,278	3.2	27,462	34,141	-19.6	6.4	8.2	43,504	54,869	111,358	97,987	26.2
TOTAL	2,440,037	2,431,511	0.4	(118,048)	46,825	N/A	-4.8	1.9	(17,402)	81,292	562,955	498,981	-22.2

LEADING FOOD CHAIN AVERAGES

(Average)	1989	1988	% Change
Sales	$5,190,684,000	$4,902,550,000	+ 5.88
Net Income	(26,625,000)	38,394,000	—
Pre-Tax Income	4,790,000	61,409,000	− 92.20
Shareholders' Equity	177,399,000	221,051,000	− 19.75
% Net Income to Sales	—	0.78	—
% Net Income to Shareholders' Equity	—	17.37	—

LEADING DRUG CHAIN AVERAGES

(Average)	1989	1988	% Change
Sales	$2,086,638,000	$1,905,642,000	+ 9.50
Net Income	86,184,000	60,363,000	+ 42.78
Pre-Tax Income	122,066,000	108,449,000	+ 12.56
Shareholders' Equity	587,192,000	515,194,000	+ 13.97
% Net Income to Sales	4.13	3.17	+ 30.28
% Net Income to Shareholders' Equity	14.68	11.72	+ 25.26

LEADING SHOE CHAIN AVERAGES

(Average)	1989	1988	% Change
Sales	$2,267,843,000	$2,045,280,000	+ 10.88
Net Income	102,492,000	83,190,000	+ 23.20
Pre-Tax Income	164,455,000	140,946,000	+ 16.68
Shareholders' Equity	543,110,000	523,014,000	+ 3.84
% Net Income to Sales	4.52	4.07	+ 11.06
% Net Income to Shareholders' Equity	18.87	15.91	+ 18.60

LEADING FOOD CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1989	$5,190,684,000	$(26,625,000)
1988	4,902,550,000	38,394,000
1987	4,405,187,000	55,450,000
1986	3,449,046,000	41,244,000
1985	2,991,306,000	41,263,000
1984	3,483,547,000	43,236,000
1983	3,878,137,000	42,921,000
1982	3,642,425,000	37,662,000
1981	3,337,345,000	34,437,000
1980	2,989,624,000	29,390,000

LEADING DRUG CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1989	$2,086,638,000	$86,184,000
1988	1,905,642,000	60,363,000
1987	1,597,467,000	66,812,000
1986	1,607,377,000	48,067,000
1985	1,685,907,000	56,697,000
1984	2,950,485,000	73,994,000
1983	2,961,222,000	71,191,000
1982	1,473,850,000	36,843,000
1981	1,326,068,000	33,488,000
1980	1,154,711,000	27,073,000

LEADING SHOE CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1989	$2,267,843,000	$102,492,000
1988	2,045,280,000	83,190,000
1987	1,798,227,000	71,486,000
1986	1,868,900,000	71,670,000
1985	1,563,646,000	51,927,000
1984	1,463,152,000	51,793,000
1983	1,543,009,000	64,782,000
1982	1,363,954,000	48,090,000
1981	1,277,904,000	55,256,000
1980	1,130,326,000	48,644,000

LEADING DEPARTMENT STORE AVERAGES

(Average)	1989	1988	% Change
Sales	$4,087,932,000	$3,717,023,000	+ 9.98
Net Income	154,319,000	141,263,000	+ 9.24
Pre-Tax Income	268,517,000	222,057,000	+ 20.92
Shareholders' Equity	792,237,000	836,703,000	− 5.31
% Net Income to Sales	3.77	3.80	− 0.79
% Net Income to Shareholders' Equity	57.47	63.62	− 9.67

LEADING MASS MERCHANDISER AVERAGES

(Average)	1989	1988	% Change
Sales	$21,514,000,000	$20,119,000,000	+ 6.93
Net Income	525,000,000	605,600,000	− 13.31
Pre-Tax Income	879,000,000	803,325,000	+ 9.42
Shareholders' Equity	6,255,775,000	6,216,225,000	+ 0.64
% Net Income to Sales	2.44	3.01	− 18.94
% Net Income to Shareholders' Equity	8.39	9.74	− 13.86

LEADING OFF-PRICE STORE AVERAGES

(Average)	1989	1988	% Change
Sales	$439,502,000	$379,728,000	+ 12.77
Net Income	18,800,000	16,918,000	+ 11.12
Pre-Tax Income	30,163,000	25,508,000	+ 18.25
Shareholders' Equity	116,363,000	104,359,000	+ 11.50
% Net Income to Sales	4.28	4.34	− 1.38
% Net Income to Shareholders' Equity	16.16	16.21	− 0.31

LEADING SPECIALTY STORE AVERAGES

(Average)	1989	1988	% Change
Sales	$1,467,209,000	$1,287,683,000	+ 13.94
Net Income	66,210,000	51,645,000	+ 28.20
Pre-Tax Income	124,058,000	102,561,000	+ 20.96
Shareholders' Equity	361,698,000	344,506,000	+ 4.99
% Net Income to Sales	4.51	4.01	+ 12.47
% Net Income to Shareholders' Equity	18.31	14.99	+ 22.15

LEADING DISCOUNTER AVERAGES

(Average)	1989	1988	% Change
Sales	$7,232,557,000	$5,885,069,000	+ 22.90
Net Income	278,032,000	222,648,000	+ 24.88
Pre-Tax Income	441,488,000	352,936,000	+ 25.09
Shareholders' Equity	1,120,559,000	875,760,000	+ 27.95
% Net Income to Sales	3.84	3.78	+ 1.59
% Net Income to Shareholders' Equity	24.81	25.42	− 2.40

OTHER LEADING RETAILER AVERAGES

(Average)	1989	1988	% Change
Sales	$814,679,000	$810,504,000	+ 0.52
Net Income	(39,349,000)	15,608,000	—
Pre-Tax Income	(5,801,000)	27,097,000	—
Shareholders' Equity	187,652,000	166,327,000	+ 12.82
% Net Income to Sales	—	1.93	—
% Net Income to Shareholders' Equity	—	9.38	—

Aileen, Inc.

1411 Broadway
New York, New York 10018
(212) 398-9770
FAX: (212) 398-9154

Officers: Abe Oberlin, chairman of the board & president; C. W. Lillard, v.p.; Francis Holden, v.p.; Robert W. Tarpley, v.p.-finance, treasurer & asst. secretary; Alvin M. Stein, secretary.

Directors: Abe Oberlin, chairman; Isidor B. Seidler, Francis Holden, C. W. Lillard, Robert H. Brown, Patricia McConnell.

Business Activities: Manufactures women's apparel and markets it through its 129 retail clothing stores located primarily on the East coast.

Divisions:

Aileen Division
1411 Broadway
New York, New York 10018
Manufactures and markets moderately priced active sportswear for the young woman.

The Aileen Too Division
1411 Broadway
New York, New York 10018
Manufactures large-sized women's clothing.

Transfer Agents:

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: AEE

Number of Stores: (at fiscal year end)

1989	116
1988	129
1987	136
1986	83
1985	44

Sales & Earnings

	Net Sales	Net Income
1989	$ 60,332,000	$ (5,492,000)
1988	61,767,000	865,000
1987	52,218,000	(6,379,000)
1986	44,774,000	(2,403,000)
1985	53,259,000	112,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	5,149,688	$ —
1988	5,149,688	0.17
1987	5,125,361	—
1986	5,087,180	—
1985	5,075,888	0.02

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 18,302,000	$ 3.55
1988	23,794,000	4.62
1987	22,929,000	4.45
1986	29,182,000	5.72
1985	31,511,000	6.21

Income Account *

Year ended	10/28/89	10/29/88
Net sales	$ 60,332,000	$ 61,767,000
Other income	196,000	149,000
Total income	$ 60,528,000	$ 61,916,000
Cost of sales	40,533,000	37,156,000
Expenses	24,592,000	23,349,000
Interest expense	895,000	546,000
Net Income (Loss)	$ (5,492,000)	$ 865,000

* Included in Costs and Expenses, Depreciation: $1,676,000 in 1989 and $1,754,000 in 1988.

Assets

As of	10/28/89	10/29/88
Cash	$ 644,000	$ 696,000
Due from factor	1,172,000	3,406,000
* Inventories	15,634,000	18,300,000
Other curr. assets	759,000	456,000
Current Assets	$ 18,209,000	$ 22,858,000
# Fixed assets	11,076,000	10,996,000
Other assets	192,000	201,000
Total Assets	$ 29,477,000	$ 34,055,000

Liabilities

Bank loan	$ 4,249,000	$ 2,554,000
Bank loan-officer	1,900,000	1,900,000
Long-term debt, curr.	22,000	—
Accts. payable	2,241,000	3,094,000
Accruals	2,678,000	2,713,000
Curr. Liabilities	$ 11,090,000	$ 10,261,000
Long-term debt	85,000	—
+ Common stock	5,150,000	5,150,000
Add. paid-in capital	11,525,000	11,525,000
Retained earnings	1,627,000	7,119,000
Total Liabilities & Shareholders' Equity	$ 29,477,000	$ 34,055,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Sales	—	1.40
%Net Income to Equity	—	3.64
Sales to Inventories	3.86	3.38
Debt to Equity	0.54	0.19
Working Capital	$ 7,119,000	$ 12,597,000
Current Ratio	1.64	2.23
Shareholders' Equity	$ 18,302,000	$ 23,794,000

Albertson's, Inc.

P.O. Box 20
250 Parkcenter Boulevard
Boise, Idaho 83726
(208) 385-6200
FAX: (208) 385-6349

Officers: Warren E. McCain, chairman of the board & chief exec. officer; John B. Carley, president; Gary G. Michael, vice-chairman & chief financial & corporate development officer; C. Clinton Joyce, sr. v.p.-management information systems; Alec. R. Gloth, sr. v.p.-store plannning; Michael F. Reuling, exec. v.p.-store development; Gerald R. Rudd, sr. v.p.-human resources; Wendell E. Hornecker, sr. v.p.-design & construction; Marvin W. Robertson, sr. v.p.-corp. merchandising; Thomas R. Saldin, sr. v.p. & general counsel; Robert G. Miller, exec. v.p.-retail operations; A. Craig Olson, group v.p.-finance; David I. Connolly, v.p.-treasurer; Dennis R. Graves, v.p.-general merchandise/drug operations; Peter W. Gustavsen, v.p.-distribution; James L. Jackson, v.p.-dairy operations; Alfred A. Kasner, v.p.-grocery sales; Kenneth R. Kramer, v.p.-service delicatessen sales; Leland M. Pollock, v.p.-meat sales; M. Jed Pritchett, Jr., v.p.-industrial relations; Richard C. Rowe, v.p.-produce & liquor sales; Patrick S. Steele, v.p.-systems development; Richard J. Navarro, v.p. & controller; Steven D. Young, v.p.-personnel; Russell C. Blake, v.p.-bakery sales; John B. Iverson, v.p.-risk mgmt.; George H. Greene, v.p.-pharmacy operations; Donald D. Palmer, v.p.-computer operations; James E. Reynolds, v.p.-marketing; Don C. Meldrum, v.p.-employee development; Thomas E. Brother, group v.p.-distribution; David G. Dean, v.p.-private label operations; Michael H. McCarthy, v.p. & controller-Distribution & Manufacturing Division; Kaye L. O'Riordan, corp. secretary; Carol L. Wood, asst. secretary; John G. Danielson, asst. treasurer.

Directors: J. A. Albertson, Kathryn Albertson, R. V. Hansberger, B. Z. Kastler, Warren E. McCain, John B. Fery, Charles D. Lein, John B. Carley, Gary G. Michael, A. Gary Ames, James E. Bruce, H. F. Magnuson, Paul I. Corddry, Clark A. Johnson.

Business Activities: Operates 523 stores in 17 western and southern states, broken down into 157 conventional supermarkets, 195 superstores, and 139 combination food-drug units, and 32 warehouse stores.

Transfer Agent(s):

Pittsburgh National Bank
1500 Penn Avenue
Pittsburgh, Pennsylvania 15222

West One Bank, Idaho, N.A.
Boise, Idaho

Stock Exchange(s): New York, Pacific

Ticker Symbol: ABS

Number of Stores: (at fiscal year end)

1990	523
1989	497
1988	465
1987	452
1986	444

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 7,422,663	$ 196,551
1989*	6,773,061	162,545
1988	5,869,423	125,385
1987	5,379,643	100,152
1986	5,060,265	85,110

	No. of Com. Shares ‡	Earn. per Share ‡
1990	67,067,951	$ 2.93
1989*	66,606,351	2.44
1988	66,870,408	1.88
1987	66,666,846	1.50
1986	66,340,986	1.28

* 53 weeks.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.80	—	—
1989	0.56	—	—
1988	0.48	—	2-for-1
1987	0.42	—	—
1986	0.38	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 929,492,000	$ 13.88
1989	800,496,000	11.96
1988	665,208,000	10.02
1987	594,379,000	8.90
1986	518,709,000	7.80

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/1/90 (53 weeks)	2/2/89
Net sales	$ 7,422,663	$ 6,773,061
Cost of sales	5,722,036	5,260,459
Expenses	1,381,017	1,251,995
Interest expense	18,898	11,979
Other income	(9,064)	(8,366)
Income before taxes	$ 309,776	$ 256,994
Income taxes	113,225	94,449
Net Income	$ 196,551	$ 162,545

* Included in Costs and Expenses, Depreciation and Amortization: $108,101,000 in 1990 and $88,362,000 in 1989.

Assets
(000's)

As of	2/1/90	2/2/89
Cash & short-term securities	$ 43,708	$ 81,641
Accts. & notes receiv., net	44,103	43,399
*Inventories	544,676	432,322
Prepaid expenses	10,536	8,813
Def. inc. tax benefits	25,082	20,027
Refund. inc. taxes	—	5,748
Current Assets	$ 668,105	$ 591,950
#Fixed assets	1,146,712	959,707
Other assets	47,872	39,329
Total Assets	$ 1,862,689	$ 1,590,986

Liabilities
(000's)

Long-term debt, curr.	$ 6,008	$ 5,655
Cap. lease oblig., curr.	5,122	5,429
Accts. payable	429,822	375,786
Accrued payroll	68,122	64,458
Income taxes	2,768	—
Other taxes	26,698	23,570
Other curr. liab.	16,443	13,492
Curr. Liabilities	$ 554,983	$ 488,390
Long-term debt	111,503	64,041
Cap. lease oblig.	106,949	113,046
Deferred invest. credit	6,283	8,464
Deferred compensation	18,807	16,864
Deferred income taxes	15,303	4,208
Deferred rents payable	53,333	49,862
Other liabilities	66,036	45,615
+Common stock	66,960	66,929
Add. paid-in capital	22,346	36,317
Retained earnings	840,186	697,250
Total Liabilities & Shareholders' Equity	$ 1,862,689	$ 1,590,986

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.17	3.79
%Net Income to Sales	2.65	2.40
%Net Income to Equity	21.15	20.31
Sales to Inventories	13.63	15.67
Debt to Equity	0.25	0.24
Working Capital	$ 113,122,000	$ 103,560,000
Current Ratio	1.20	1.21
Shareholders' Equity	$ 929,492,000	$ 800,496,000

Alexander's, Inc.

500 Seventh Avenue
New York, New York 10018
(212) 560-2121
FAX: (212) 869-0368

Officers: Robin L. Farkas, chairman of the board & chief executive officer; Bruce R. Farkas, vice chairman & chief operating officer; Roger A. Barrer, president; Leon Peck, exec. v.p.-finance; Raphael Present, sr. v.p.-director of stores; Roger Borgeson, sr. v.p.-human resources; Edwin Dreher, v.p.-loss prevention; Robert G. Spevak, sr. v.p.-general merchandise manager; Robert Greenwald, v.p. & sr. merchandise manager; Donald W. Madsen, v.p.-construction & plant; Albert J. Henry, v.p.-community affairs; Gilbert Dick, v.p. & sr. store director; Albert Doorfee, v.p. & sr. store director; Christopher Gay, v.p.-management information systems; William Bloom, v.p. & director-distribution; Steven Lent, v.p. & exec. personnel administration; Raphael Present, v.p.-director of stores; Harvey B. Weston, v.p.-store planning; Thomas M. Coleman, v.p.-financial administration; Patrick C. Raccioppi, v.p.-advertising director; Brian M. Kurtz, sr. v.p. & controller; Herbert Paul, tax counsel.

Directors: Robin L. Farkas*, chairman of the board; Bruce R. Farkas*, Roger Barrer, David A. Goldberg, Eugene M. Lang, Neil Underberg*, Louis Powell, Stephen Mann, Susan M. Heilbron, Thomas R. DiBenedetto*, Richard West, Arthur I. Sonnenblick, Steven Roth, Harvey I. Freeman*, Donald J. Trump, Ivana M. Trump, Robert S. Trump*.

* Member of the Executive Committee

Business Activities: Operates a chain of department stores in the greater New York metropolitan area.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
Manufacturers' Stock Transfer Department
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: ALX

Number of Stores: (at fiscal year end)

1989	11	1986	14
1988	13	1985	15
1987	14		

Sales & Earnings

	Net Sales ‡	Net Income
1989	$ 463,119,000	$ 17,461,000
1988	524,844,000	(2,545,000)
1987	522,870,000	1,314,000
1986	520,129,000	4,098,000
1985	520,045,000	5,011,000

	No. of Com. Shares	Earn. per Share #
1989	4,975,850	$ 3.51
1988	4,975,850	—
1987	4,975,850	0.27
1986	4,530,328	0.91
1985	4,519,168	0.11

‡ Including leased departments.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 107,851,000	$ 21.67
1988	90,390,000	18.17
1987	92,935,000	18.68
1986	77,367,000	17.08
1985	72,913,000	16.13

Income Account *

Year ended	7/29/89	7/30/88
Net sales	$ 463,119	$ 524,844
Cost of sales	341,541	392,930
Expenses	122,627	136,788
Interest expense	2,473	3,172
Systems develop. costs	3,496	—
Gain on sales of store leases	(41,570)	—
Inc. (loss) bef. taxes	$ 34,552	$ (8,046)
Income taxes (credit)	13,675	(3,760)
Cum. effect of acct. change	3,416	(1,741)
Net Income (Loss)	$ 17,461	$ (2,545)

* Included in Costs and Expenses, Depreciation and Amortization: $8,167,000 in 1989 and $7,924,000 in 1988.

Assets
(000's)

As of	7/29/89	7/30/88
Cash	$ 3,714	$ 4,430
Short-term invest.	20,225	4,000
Amt. due from sale of lease	14,279	—
Inc. tax receiv.	—	5,763
*Inventories	48,183	53,244
Prop. & equip. held for sale	—	6,728
Other curr. assets	10,707	8,029
Current Assets	$ 97,108	$ 82,194
#Fixed assets	59,109	64,393
Investments	50,730	45,785
Other assets	507	2,833
Total Assets	$ 207,454	$ 195,205

Liabilities
(000's)

Long-term debt, curr.	$ 2,082	$ 2,566
Accts. payable & accruals	35,145	36,874
Income taxes	316	341
Other taxes	6,216	5,465
Curr. Liabilities	$ 43,759	$ 45,246
Long-term debt	50,800	53,649
Deferred inc. taxes	3,470	4,346
+Common stock	5,174	5,174
Add. paid-in capital	23,651	23,651
Retained earnings	80,125	62,664
Treasury stock	(1,099)	(1,099)
Total Liabilites & Shareholders' Equity	$ 207,454	$ 195,205

* At lower of cost (FIFO) or market, as determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.46	—
%Net Income to Sales	3.77	—
%Net Income to Equity	16.19	—
Sales to Inventories	9.61	9.86
Debt to Equity	0.49	0.62
Working Capital	$ 53,349,000	$ 36,948,000
Current Ratio	2.22	1.82
Shareholders' Equity	$ 107,851,000	$ 90,390,000

American Maize-Products Company

250 Harbor Drive
Stamford, Connecticut 06904
(203) 356-9000
FAX: (203) 359-1020

NOTE: The Company has begun to divest itself of Lloyd Home and Building Centers, Inc., and is treating it as a discontinued operation in the 1989 financial statments.

Officers: William Ziegler, III, chairman of the board & chief executive officer; Leslie C. Liabo, vice chairman; Alan J. Edly, v.p.-finance; Charles A. Koons, v.p.-corporate development & planning; John R. Tweedy, v.p. & asst. to the chairman; Donald E. McNicol, secretary & general counsel; Robert A. Britton, v.p. & treasurer; Edward P. Norris, v.p. & chief financial officer; Edmond G. Herve, Jr., controller; Robert S. West, asst. treasurer; Cynthia Z. Brighton, asst. secretary.

Directors: William Ziegler, III*, chairman; Gene K. Beare, Charles B. Cook, Jr.*, Edward Gelsthorpe, Leslie C. Liabo*, Donald E. McNicol*, Alan J. Edly, William C. Steinkraus, John C. Wrightson, Patric J. McLaughlin.

* Member of the Executive Committee

Business Activities: The Company's Building Materials Division sells building materials and home improvement items to the do-it-yourself customer and the contractor through its Lloyd Home & Building Centers located in New York, Connecticut and Pennsylvania. Also produces corn syrups and other corn products, smokeless tobacco and cigars.

Divisions:

Corn Processing Division
Building Materials Division
Tobacco Division

Subsidiaries:

American Fructose Corporation (57.6% owned)
Jno. H. Swisher & Son, Inc.
Martin Brothers International, Inc.
Corral-Wodiska y Ca.
Lloyd Home & Building Centers, Inc.
Helme Tobacco Company

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: AZE

Number of Stores: (at fiscal year end)

1989	17	1986	34
1988	36	1985	36
1987	34		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 504,752,000	$ (2,840,000)
1988	440,252,000	1,426,000
1987	396,592,000	12,661,000
1986	404,256,000	9,732,000
1985	338,691,000	(4,668,000)

	No. of Com. Shares	Earn. per Share ‡ #
1989	6,668,796	$ —
1988	6,583,964	0.22
1987	6,598,283	2.10
1986	5,593,660	1.82
1985	5,270,412	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary losses of $411,000 ($0.07 per share) in 1987 and $499,000 ($0.09 per share) in 1986.
# Based on the average number of shares outstanding during the year.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.52	—	—
1987	0.52	—	—
1986	0.52	—	—
1985	0.52	—	—
1984	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 146,431,000	$ 21.96
1988	151,265,000	22.97
1987	153,528,000	23.27
1986	126,343,000	22.59
1985	113,733,000	21.58

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 504,752	$ 440,252
Cost of sales	377,223	340,778
Expenses	68,773	58,917
Gain on exch. of deben.	(535)	—
Interest expense	15,769	14,746
Interest income	(3,643)	(2,123)
Other expense	4,401	1,779
Inc bef. taxes	$ 42,764	$ 26,155
Income taxes	19,257	10,268
Minority interest	10,711	5,128
Inc.-cont. oper.	$ 12,796	$ 10,759
Loss-discont. oper.	(15,636)	(9,333)
Net Income	$ (2,840)	$ 1,426

* Included in Costs and Expenses, Depreciation and Amortization: $21,785,000 in 1989 and $19,648,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 36,201	$ 33,231
Accts. receiv., net	41,777	41,926
Tax refund receiv.	126	241
*Inventories	75,785	71,738
Net assets-discont. oper.	1,719	27,724
Def. income taxes	4,760	—
Other curr. assets	7,028	7,753
Current Assets	$ 167,396	$ 182,613
#Fixed assets	230,718	203,513
Exc. of cost over assets acq.	13,212	13,512
Other assets	12,192	12,117
Total Assets	$ 423,518	$ 411,755

Liabilities
(000's)

	1989	1988
Short-term debt	$ 39,806	$ 10,011
Long-term debt, curr.	21,223	21,414
Accts. payable	18,070	17,549
Accrued payroll	2,799	5,112
Accrued income taxes	2,977	3,503
Accrued interest	4,142	3,185
Other accruals	8,503	7,382
Curr. Liabilities	$ 97,520	$ 68,156
Long-term debt	72,738	119,216
Deferred inc. taxes	40,095	34,658
Other liab.	1,022	1,274
Minority interest	65,712	37,186
+Common stock	5,503	5,461
Add. paid-in capital	41,174	40,049
Retained earnings	101,989	108,278
Treasury stock	(2,235)	(2,523)
Total Liabilities & Shareholders' Equity	$ 423,518	$ 411,755

* At lower of cost (average & FIFO) or market; corn & tobacco at LIFO.
# Less accumulated depreciation.
+ $0.80 par value.

Statistical Summary

%Net Income to Equity	—	0.94
Sales to Inventories	6.66	6.14
Debt to Equity	0.91	1.00
Working Capital	$ 69,876,000	$ 114,457,000
Current Ratio	1.72	2.68
Shareholders' Equity	$ 146,431,000	$ 151,265,000

American Stores Company

5201 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 539-0112
FAX: (801) 531-0768

Mailing Address:
P.O. Box 27447
Salt Lake City, Utah 84127-0447

Officers: L. S. Skaggs, chairman of the board; Jonathan L. Scott, vice chairman & chief exec. officer; Alan D. Stewart, president & chief operating officer; Victor L. Lund, vice chairman & chief financial & administrative officer; Kent T. Anderson, exec. v.p., general counsel & asst. secretary; Donald B. Holbrook, exec. v.p. & chief legal officer; Michael T. Miller, sr. v.p.-governmental relations; Gerald T. Glancey, sr. v.p., treasurer & asst. secretary; Teresa Beck, sr. v.p.-finance, controller & asst. secretary; Scott Bergeson, sr. v.p.-benefits administration; Stanley R. Whitcomb, sr. v.p.-information systems; H. Prentice Merritt, sr. v.p.-planning & development; Dennis N. Beal, v.p.-controller; Jack Lunt, v.p., asst. general counsel & secretary; Calvin O. Drecksel, v.p.-investor relations.

Directors: Leon G. Harmon*, L. Tom Perry*, L. S. Skaggs*, Lawrence A. Del Santo, Aline W. Skaggs*, Barbara S. Preiskel, Louis H. Callister, Jonathan L. Scott*, Arden B. Engebretsen, James B. Fisher, James H. Henson, Victor L. Lund, John E. Masline, Alan D. Stewart.

* Member of the Executive Committee

Business Activities: The Company, through its subsidiaries, is engaged primarily in the operation of retail stores, selling food and non-food items such as prescription drugs, tobacco products, housewares, health and beauty aids and sundry merchandise for home and family use. The company operates 1,894 retail units in 40 states.

Divisions and Subsidiaries:

American Superstores, Inc.
O'Hara Plaza
8725 West Higgins Road
Chicago, Illinois 60631
(312) 399-9435

Acme Markets, Inc.
(A subsidiary of American Superstores, Inc.)
75 Valley Stream Parkway
Malvern, Pennsylvania 19355
(215) 889-4000

Operates 292 food stores in seven eastern states under the name 'Acme Markets."

Jewel Food Stores
(A subsidiary of American Superstores, Inc.)
1955 West North Avenue
Melrose Park, Illinois 60160
(312) 531-6000

Operates 219 supermarkets in four midwestern states under the "Jewel" name. Of these stores, 135 are operated in combination with a full-service Osco Drug store.

Star Market Company
(A subsidiary of American Superstores, Inc.)
625 Mt. Auburn Street
Cambridge, Massachusetts 02238-9122
(617) 661-2200

Operates 42 food stores in Massachusetts and Rhode Island under the name "Star Market," and a food-drug combination store in Massachusetts under the name "Star Market Plus."

American Food and Drug, Inc.
1100 Executive Drive West
Suite 100
Richardson, Texas 75081
(214) 238-7231

Jewel Osco
(A subsidiary of American Food and Drug,Inc.)
1209 U.S. Highway 19 North
Suite 124
Palm Harbor, Florida 34684-2642
(813) 787-5225

Operates a combination food-drug store in Florida under the name "Jewel Osco."

Skaggs Alpha Beta, Inc.
(A subsidiary of American Food and Drug, Inc.)
1100 Executive Drive West
Suite 100
Richardson, Texas 75081
(214) 238-7231

Operates 85 'Skaggs Alpha Beta" food-drug combination stores in five southwestern states.

Buttrey Food-Drug
(A subsidiary of American Food and Drug, Inc.)
601 6th Street S.W.
Great Falls, Montana 59403
(406) 761-3401

Operates 45 food-drug combination stores in Washington, Montana, North Dakota, and Wyoming under the "Buttrey Food-Drug" name, and eight food-drug combination stores in Utah under the "Skaggs Alpha Beta" name.

American Drug Stores, Inc.
1818 Swift Drive
Oak Brook, Illinois 60521
(708) 572-5000

Operates 658 drug stores in 27 states under the "Osco Drugs" and "Sav-on" names.

Sav-on, Inc.
(A subsidiary of American Drug Stores, Inc.)
1500 South Anaheim Boulevard
Anaheim, California 92805
(714) 778-2300

Osco Drug
(A subsidiary of American Drug Stores, Inc.)
1818 Swift Avenue
Oak Brook, Illinois 60521
(312) 572-5000

Alpha Beta Company
777 South Harbor Boulevard
La Habra, California 90631
(714) 738-2000

Operates 220 Alpha Beta food stores in California and Nevada.

Skaggs Telecommunications Service, Inc.
5181 West Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 537-1427

Lucky Stores, Inc.
6300 Clark Avenue
P.O. Box BB
Dublin, California 94568
(415) 833-6000

Operates 347 food stores in California and Nevada.

Northern California Division
(A subsidiary of Lucky Stores, Inc.)
1701 Marina Boulevard
San Leandro, California 90620
(415) 678-4200

Southern California Division
(A subsidiary of Lucky Stores, Inc.)
6565 Knott Avenue
Buena Park, California 90620
(714) 739-2200

American Stores Properties, Inc.
5201 West Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 539-0112

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Philadelphia, Pacific, Midwest

Ticker Symbol: ASC

Number of Stores: (at fiscal year end)

1989	1,894	1986	1,498
1988	1,917	1985	1,493
1987	1,460		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990*	$ 22,004,154	$ 118,129
1989	18,478,354	98,251
1988	14,272,395	154,310
1987	14,021,484	144,528
1986	13,889,528	154,470

	No. of Com. Shares #	Earn. per Share #
1990*	31,713,000	$ 3.45
1989	30,185,000	2.54
1988	30,830,000	4.19
1987	31,456,000	3.79
1986	31,464,000	4.11

* 53 weeks.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	0.88	—	—
1988	0.84	—	—
1987	0.84	—	—
1986	0.69	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1990	$ 1,201,811,000	$ 37.90
1989	922,122,000	30.55
1988	885,744,000	28.73
1987	838,093,000	26.64
1986	767,811,000	24.40

‡ After allowing for preferred stock at liquidation value.
+ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 22,004,154	$ 18,478,354
Cost of sales	16,477,549	13,912,115
Expenses	4,923,078	4,121,900
Interest expense	400,370	285,421
Interest income	(15,855)	(9,828)
Other income	(31,326)	(38,357)
Income before taxes	$ 250,338	$ 207,103
Income taxes	132,209	108,852
Net Income	$ 118,129	$ 98,251

* Included in Costs and Expenses, Depreciation and Amortization: $360,548 in 1990 and $297,835 in 1989.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & temp. cash invest.	$ 87,478	$ 9,458
Receiv., net	253,189	232,055
*Inventories	1,798,444	1,784,714
Prepaid expenses	59,457	72,717
Def. inc. tax benefits	62,016	54,521
Current Assets	$ 2,260,584	$ 2,153,465
#Fixed assets	2,684,615	2,510,668
Prop. under cap. lease	140,725	155,869
Intangibles	2,043,539	1,899,439
Other assets	268,521	290,979
Total Assets	$ 7,397,984	$ 7,010,420

Liabilities
(000's)

Long-term debt, curr.	$ 172,500	$ 283,021
Cap. lease oblig., curr.	14,240	14,815
Accts. payable	1,020,740	980,988
Accrued payroll	345,602	320,482
Other accruals	584,348	532,418
Income taxes	102,688	56,755
Curr. Liabilities	$ 2,240,118	$ 2,188,479
Long-term debt	3,248,102	3,119,225
Cap. lease oblig.	151,137	169,707
Other liabilities	451,258	302,705
Deferred inc. taxes	105,558	111,877
+Preferred stock: Series A	—	196,305
++Common stock	36,136	31,992
Add. paid-in capital	323,440	133,197
Retained earnings	934,956	857,659
Treasury stock	(92,721)	(100,726)
Total Liabilities & Shareholders' Equity	$ 7,397,984	$ 7,010,420

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. Series A, $4.375 cumulative convertible exchangeable.
++ $1 par value.

Statistical Summary

%Income before Taxes to Sales	1.14	1.12
%Net Income to Sales	0.54	0.53
%Net Income to Equity	9.83	8.78
Sales to Inventories	12.24	10.35
Debt to Equity	2.98	3.21
Working Capital	$ 20,466,000	—
Current Ratio	1.01	—
Shareholders' Equity	$ 1,201,811,000	$ 1,118,427,000

Ames Department Stores, Inc.

2418 Main Street
Rocky Hill, Connecticut 06067
(203) 563-8234
FAX: (203) 257-7806

(NOTE: On April 25, 1990, the Company filed for protection under chapter 11 of the United States Bankruptcy Code.)

Officers: James A. Harmon, chairman of the board; Peter B. Hollis, vice chairman & chief executive officer; George Granoff, president & chief operating officer; Jeffrey W. Dentz, exec. v.p.-operations; Leslie E. Dietzman, exec. v.p.-merchandising; Duane R. Wolter, exec. v.p. & chief financial officer; Earl M. Spector, exec. v.p.-real estate and legal & secretary; Jeffrey W. Dentz, exec. v.p.-operations; Robert C. Brummer, sr. v.p.-human resources; Paul W. Reese, Jr., sr. v.p.-distribution services; Richard E. Nawrot, sr. v.p.-management information systems; Alan Zimtbaum, sr. v.p.-finance & chief accounting officer; Frank Horacek, v.p.-real estate; James J. Aglio, v.p. & general merchandise mgr.; Charles Rilling, v.p. & general merchandise mgr.; Stuart H. Kessler, v.p. & general merchandise mgr.; Andrew Cohan, v.p.-merchandise administration; Donald R. DeLaura, Jr., v.p. & gen. mgr.-ladies apparel, intimate apparel, and accessories; Joseph Calogine, v.p.-store planning; Richard H. Howk, v.p. & gen. mgr.-Mathews & Boucher; Robert A. Tremblay, v.p.-merchandise control; John R. Ranelli, v.p. & treasurer; Robert S. Jacobs, v.p.-manpower planning & recruitment; Kerrie R. Flanagan, v.p.-store operations & financial control; Anthony M. Lumbrazo, v.p.-regional director-operations; John Cook, v.p.-store operations; Michelle Garvey, v.p.-mgmt. info. services; Ronald T. Raymond, v.p.-loss prevention; Dorene Robotti, v.p.-labor relations; Darrell Heun, v.p.-advertising & sales promotion; Stuart J. Shapiro, v.p.-merchandise information office; John J. Sullivan, v.p. & controller; Anthony D. Atenasio, v.p.-merchandise replenishment; Paul M. Bass, v.p. & merchandise mgr.; Vincent F. Botti, v.p. & regional dir.-operations, Zayre Stores Division; William H. Ginsburg, v.p.-imports; Frank C. Martell, v.p.-distribution services; David B. Muensterman, v.p. & general merchandise mgr.; Ronald R. Templeton, v.p.-regional director-store operations; Stanley F. Tavanese, v.p. & regional dir.-operations, Zayre Stores Division; Gregory C. Abbott, asst. v.p. & asst. controller; Joseph Adinolfi, asst. v.p.-divisional merchandise mgr.; Frank Adler, asst. v.p.-merchandise planning & administration; Janet Allison, asst. v.p.-divisional merchandise mgr.; Michael Y. Belanger, asst. v.p.-merchandise planning; Laurie Berger, asst. v.p.-div. merchandise mgr.-home furnishings; Steven J. Blassberg, asst. v.p.-sales promotion; William G. Bradley, Jr., asst. v.p.-merchandise planning & administration; Harry F. Brooks, asst. v.p.-regional director - store operations; Richard L. Brunetti, asst. v.p.-store planning; Joseph F. Carlin, Jr., asst. v.p.-distribution; Robert A. Cataldo, asst. v.p. & asst. controller; David Covitz, asst. v.p.-divisional merchandise manager; Lawrence Deck, Jr., asst. v.p.-merchandise control; Douglas K. Ewing, asst. v.p.-investor relations; Richard D. Faucher, asst. v.p.-divisional merchandise mgr.; Edward F. Gillooly, asst. v.p.-marketing; Harold D. Greenberg, asst. v.p. & director-SKU management; Kevin M. Healy, asst. v.p. & asst. controller-retail; Brent E. Hilton, asst. v.p.-divisional merchandise mgr.-toys; Benjamin Isaacs, asst. v.p.-divisional merchandise mgr.-accessories; Garry Johnson, asst. v.p.-telecommunications & business systems planning; Robert L. Jones, asst. v.p., general mgr.-Clinton Distribution Center; John B. Kinney, asst. v.p.-store operations; Allen D. Lavanchy, asst. v.p.-distribution development & engineering; Elizabeth Anne Lewis, asst. v.p.-divisional merchandise mgr.-intimate apparel; Philip Marshall, asst. v.p.-divisional merchandise mgr.-Mens; Jerry Matthews, asst. v.p.-divisional merchandise mgr.-Infants; Joan M. Meyers, asst. v.p.-regional training coordinator; John P. Miles, asst. v.p.-administration; Brian T. Murphy, asst. v.p. & asst. controller; Michael J. Nellenbach, asst. v.p.-replenishment; Michael J. Novotny, asst. v.p. & regional director-store operations; Nils C. Pederson, asst. v.p.-divisional merchandise mgr.-hardware; Richard T. Portfolio, asst. v.p.-advertising; Kenneth C. Rogers, asst. v.p.-store operations & special products; Steven Skiba, asst. v.p.-MIS operations; Robert M. Siegel, asst. v.p.-divisional merchandise mgr.-Seasonal; George Z. Sugarman, asst. v.p.-divisional merchandise mgr.-Housewares; Mark von Mayrhauser, asst. v.p. & asst. treasurer; William C. Walker, asst. v.p.-merchandise planning & administration; Donald E. Walter, asst. v.p. & regional director-store operations; Richard G. Whittaker, asst. v.p.-operations crafts & more; Joseph Zotter, asst. v.p.-divisional merch. mgr.-sporting goods; Peggy A. Olko, asst. secretary; Angelina M. Spoto, asst. treasurer.

Directors: James A. Harmon, Michael D. Leavitt, Melvin M. Rosenblatt*, Norman B. Asher*, Peter B. Hollis*, Earl M. Spector, Norman Ricken, Rosabeth Moss Kanter Arthur F. Loewy, Eliot J. Stone, Duane R. Wolter.

* Member of the Executive Committee

Business Activities: Operates chains of self-service discount department stores and variety stores in the Northeast, Middle Atlantic, and Mid-West regions and in Florida and the District of Columbia. Ames also owns a wholesale sporting goods operation that services both its own retail stores and unaffiliated customers located primarily in the Northeastern United States.

Divisions and Subsidiaries:

Mathews and Boucher, Inc.
Rochester, New York
Wholesaler of sporting goods.

Crafts & More
Rocky Hill, Connecticut
Crafts specialty stores and leased departments.

Zayre Corporation Discount Division
Operates 317 Zayre Discount Department Stores in 19 states and the District of Columbia.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Pacific

Ticker Symbol: ADD

Number of Stores: (at fiscal year end)

1990	690
1989	850
1988	488
1987	463
1986	450

Sales & Earnings x

	Net Sales	Net Income #
1990	$ 4,793,126,000	$ (228,062,000)
1989	3,271,280,000	42,402,000
1988	2,027,179,000	39,915,000
1987*	1,809,941,000	9,315,000
1986	1,449,016,000	40,367,000

	No. of Com. Shares †	Earn. per Share #‡
1990	37,582,000	$ —
1989	37,515,000	1.07
1988	37,453,000	1.06
1987*	37,492,000	0.25

(Loss)
* 53 weeks.
x Restated to reflect adoption of SFAS No. 96, "Accounting for Income Taxes".
# Including extraordinary loss of $8,428,000 in 1990.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to refect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.10	—	—
1988	0.10	—	—
1987	0.10	—	—
1986	0.10	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity	Equity Per Share +
1990	$ 205,784,000 ‡	$ 5.48
1989	449,319,000 ‡	11.98
1988	412,824,000	11.02
1987	376,391,000	10.04

x Restated.
‡ After allowing for preferred stock at fair value and preferred stock dividends payable.
+ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/27/90	1/28/89‡
Net sales	$ 4,793,126	$ 3,271,280
Leased dept. income	34,233	16,477
Gain on sale of Variety Div.	10,302	—
Other income	40,314	26,306
Total income	$ 4,877,975	$ 3,314,063
Cost of sales	3,540,859	2,386,552
Expenses	1,274,026	759,196
Depreciation & amortization	88,060	51,026
Interest expense	109,186	41,694
Restruc. charge	137,314	—
Inc. (loss) bef. taxes	$ (271,470)	$ 75,595
Income taxes (credit)	(51,836)	33,193
Net Income (Loss)	$ (219,634)	$ 42,402
Extraord. loss	(8,428)	—
Net Income (Loss) & extraord. loss	$ (228,062)	$ 42,402

‡ Restated.

Assets
(000's)

As of	1/27/90	1/28/89‡
Cash	$ 37,305	$ 41,816
Cert. of dep. & oblig.	—	141,854
Receiv., net	45,711	51,008
*Inventories	1,153,419	933,162
Refundable income taxes	50,070	1,833
Def. inc. tax benefits	—	20,734
Prepaid expenses	32,755	44,792
Current Assets	$ 1,319,260	$ 1,235,199
#Fixed assets	700,875	637,953
Other assets & defer. charges	21,357	23,610
Leaseholds	229,451	257,473
Total Assets	$ 2,270,943	$ 2,154,235

Liabilities

Note payable	$ 75,000	$ —
Long-term debt & cap. lease oblig., curr.	579,815	80,850
Accts. payable	751,107	363,963
Accruals	119,400	145,986
Restruc. reserve	135,880	—
Taxes payable	—	33,688
Dividends payable	936	936
Def. inc. taxes	1,313	—
Other curr. liab.	43,841	71,906
Current Liabilities	$ 1,707,292	$ 697,329
Deferred income taxes	16,333	46,798
Long-term debt	—	593,054
Cap. lease oblig.	156,040	157,025
Other liabilities	34,828	72,587
+Preferred stock	144,242	135,000
Pref. stock dividends pay.	6,424	3,123
++Common stock	18,994	18,956
Add. paid-in capital	223,348	222,397
Retained earnings (deficit)	(32,701)	211,662
Treasury stock	(3,857)	(3,696)
Total Liabilities & Shareholders' Equity	$ 2,270,943	$ 2,154,235

‡ Restated.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value; 6% cumulative convertible.
++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.31
%Net Income to Sales	—	1.30
%Net Income to Equity	—	7.22
Sales to Inventories	4.16	3.51
Debt to Equity	2.27	1.41
Working Capital	—	$ 537,870,000
Current Ratio	—	1.77
Shareholders' Equity	$ 356,450,000	$ 587,442,000

Angelica Corporation

10176 Corporate Square Drive
Suite 100
St. Louis, Missouri 63132
(314) 854-3800
FAX: (314) 854-3890

Officers: Leslie F. Loewe, chairman of the board; Lawrence J. Young, president & chief executive officer; Allyn J. Aach, v.p.; James E. Stefoff, exec. v.p., pres.-Rental Group; Theodore M. Armstrong, sr. v.p.-finance & administration & chief financial officer; Donald C. Wickard, v.p., president-Retail Stores; Gene P. Byrd, v.p., pres.-uniform group; Robert M. Baker, treasurer; L. Linden Mann, controller & asst. secretary; Charles D. Molloy, Jr., controller; John S. Aleman, v.p. human resources; Jill Witter, secretary & house counsel; Thomas M. Degnan, treasurer.

Directors: Leslie F. Loewe, chairman; Lee M. Liberman, Lawrence E. Honig, Elliot H. Stein, H. Edwin Trusheim, Robert C. West, William P. Stiritz, Earle H. Harbison, Jr., Lawrence J. Young, Robert L. Virgil.

Business Activities: Operates a national chain of retail uniform and shoe stores; manufactures and markets uniforms and career apparel for institutions and businesses; provides rental and laundry services of textiles and garments primarily to health care institutions.

Divisions and Subsidiaries:

Manufacturing and Marketing

Angelica Uniform Group Inc.
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111

Designs, manufactures, warehouses and markets a line of washable and tailored non-washable vocational attire.

Angelica-Whitewear Ltd.
5550 Fullum Street
Montreal, Quebec H2G 2H4, Canada
(514) 271-4671

Designs, manufactures, and markets vocational apparel.

Angelica Uniform of Canada, Ltd.
35 Suntract Road
Weston, Ontario M9N 2V8, Canada
(416) 247-7482

Designs, manufactures and makes vocational apparel.

Retail Stores

Life Uniform & Shoe Shops
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111

Operates a nationwide chain of specialty stores selling a full line of uniforms, shoes and related accessories principally to registered nurses.

Rental Services

Angelica Healthcare Services Group, Inc.
10176 Corporate Square Drive
Suite 150
St. Louis, Missouri 63132
(314) 854-3800

Provides delivery and cleaning on a rental basis of surgical specialty textiles, garments and hospital linens.

Angelica Healthcare Services Group, Inc.
Western Divisional Office
300 Ranger Street
Brea, California 92621
(714) 579-0909

Angelica Healthcare Services Group, Inc.
Eastern Divisional Office
10176 Corporate Square Drive
St. Louis, Missouri 63132
(314) 854-3800

Acquisition:

Gilson Uniform

A chain of 36 stores located primarily in New York and New Jersey.

Transfer Agent(s):

Boatmen's Trust Company
Stock Transfer Department
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York

Ticker Symbol: AGL

Number of Stores: (at fiscal year end)

1989	195	1986	210
1988	187	1985	129
1987	203		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 368,752,000	$ 19,214,000
1989	328,134,000	16,642,000
1988	306,669,000	17,235,000
1987	291,704,000	16,701,000
1986	269,099,000	17,159,000

	No. of Com. Shares	Earn. per Share ‡
1990	9,284,291	$ 2.06
1989	9,306,241	1.79
1988	9,283,871	1.85
1987	9,308,061	1.79
1986	9,291,832	1.84

+ Includes rental service revenues.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Manufacturing & marketing	$ 166,962,000	$ 153,805,000
Rental serv.	176,929,000	155,352,000
Retail sales	42,158,000	33,837,000
Intersegment	(17,297,000)	(14,860,000)
Total	$ 368,752,000	$ 328,134,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.77	—	—
1989	0.73	—	—
1988	0.70	—	—
1987	0.61	—	—
1986	0.59	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 161,134,000	$ 17.36
1989	149,712,000	16.09
1988	138,406,000	14.95
1987	128,217,000 ‡	13.78
1986	116,623,000 ‡	12.56

‡ After allowing for preferred stock and Class A preferred stock at liquidation value of $100 per share.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 191,823,000	$ 172,782,000
Service revenues	176,929,000	155,352,000
Total revenues	$ 368,752,000	$ 328,134,000
Cost of sales	124,842,000	116,056,000
Cost of services	135,760,000	119,449,000
Expenses	71,929,000	63,260,000
Interest expense	5,077,000	2,783,000
Other income	(92,000)	(476,000)
Income before taxes	$ 31,236,000	$ 27,062,000
Income taxes	12,022,000	10,420,000
Net Income	$ 19,214,000	$ 16,642,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,502,000 in 1990 and $8,612,000 in 1989.

Assets

As of	1990	1989
Cash	$ 6,887,000	$ 2,457,000
Receivables	61,821,000	53,510,000
*Inventories	83,625,000	73,447,000
Prepaid expenses	3,302,000	2,898,000
Linens in service	28,161,000	23,746,000
Current Assets	$ 183,796,000	$ 156,058,000
#Fixed assets	74,129,000	60,675,000
Other assets	21,243,000	16,150,000
Total Assets	$ 279,168,000	$ 232,883,000

Liabilities

Short-term debt	$ —	$ 14,300,000
Long-term debt	3,764,000	2,964,000
Accts. payable	23,876,000	15,594,000
Accrued payroll	7,153,000	5,680,000
Accruals	8,414,000	4,988,000
Income taxes	2,235,000	1,792,000
Deferred inc. taxes	8,282,000	6,522,000
Curr. Liabilities	$ 53,724,000	$ 51,840,000
Long-term debt	5,588,0000	19,013,000
Deferred compensation	78,191,000	6,429,000
Deferred inc. taxes	6,531,000	5,889,000
+Common stock	9,343,000	9,343,000
Add. paid-in capital	1,237,000	1,182,000
Retained earnings	151,473,000	139,413,000
Translation adjust.	377,000	478,000
Treasury stock	(1,296,000)	(704,000)
Total Liabilities & Shareholders' Equity	$ 279,168,000	$ 232,883,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues.	8.47	8.25
%Net Income to Revenues	5.21	5.07
%Net Income to Equity	11.92	11.12
Debt to Equity	0.34	0.24
Working Capital	$ 130,072,000	$ 104,218,000
Current Ratio	3.42	3.01
Shareholders' Equity	$ 161,134,000	$ 149,712,000

Antonovich, Inc.

333 Seventh Avenue
New York, New York 10001
(212) 244-3161

Officers: Daniel Antonovich, chairman of the board & chief executive officer; David Antonovich, president & chief operating officer; Melvin Goldstein, executive v.p., chief financial officer & secretary; Jakob Scheer, v.p. & general merchandise manager; Steven B. Graham, v.p. & controller; Barbara Mazur, treasurer.

Directors: Daniel Antonovich, chairman of the board; David Antonovich, Melvin Goldstein, Jack Rubin, Gilbert Davids.

Business Activities: Operates nine retail stores in the New York City metropolitan area that sell quality fur apparel, primarily women's coats and jackets.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FURSA (NASDAQ)

Number of Stores: (at fiscal year end)

1988 . . . . .9 1987 8

NOTE: Effective March 31, 1987, and pursuant to an agreement and plan of merger, Antonovich, Inc. emerged as the surviving corporation of its merger with Fur Palace Corporation and Fur Palace II Corp. into such corporation.

Sales & Earnings

	Net Sales	Net Income
1988	$ 32,944,000	$ (1,706,000)
1987	32,227,000	988,000
1986	23,047,000	851,000
1985	17,987,000	263,000
1984	13,869,000	456,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,894,160	$ —
1987	2,400,000	0.41
1986+	2,400,000	0.30

+ Pro forma information reflects the results of operations of the Company as if the reorganization of the Company effected in March 1986 had occurred on April 1, 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	9-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 3,593,645	$ 1.24
1987	5,223,531	2.18
1986	1,096,356	0.46
1985	297,156	—
1984	51,182	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Mar. 31	1988	1987
Net sales	$ 31,173,639	$ 30,678,648
Other income	1,770,748	1,547,968
Total income	$ 32,944,387	$ 32,226,616
Cost of sales	16,548,687	16,220,153
Expenses	11,140,533	7,611,195
Interest expense	1,838,036	963,208
Inc. (loss) bef. taxes	$ (2,803,500)	$ 1,608,346
Income taxes (credit)	(1,098,000)	620,000
Net Income (Loss)	$ (1,705,500)	$ 988,346

* Included in Costs and Expenses, Depreciation and Amortization: $608,026 in 1988 and $382,546 in 1987

Assets

As of Mar. 31	1988	1987
Cash & cash equiv.	$ 278,990	$ 2,034,999
Due from underwriter	—	4,451,500
Accts. receiv., net	1,588,698	2,310,482
*Inventories	15,743,949	14,983,572
Prepaid expenses	1,073,074	1,321,214
Recov. inc. taxes	990,000	—
Current Assets	$ 19,674,711	$ 25,101,767
#Fixed assets	5,150,440	4,136,099
Other assets	595,205	300,569
Total Assets	$ 25,420,356	$ 29,538,435

Liabilities

	1988	1987
Notes payable-bank	$ 2,000,000	$ 4,700,000
Notes payable-vendors	3,973,574	10,958,708
Long-term debt, curr.	1,308,209	30,000
Cap. lease oblig., curr.	372,853	228,797
Accts. payable	2,090,467	2,314,416
Cust. deposits	160,343	156,413
Accruals	3,186,972	4,378,659
Income taxes	100,000	554,506
Due to officers	619,000	134,627
Curr. Liabilities	$ 13,811,418	$ 23,456,126
Due to officers	1,416,000	—
Long-term debt	5,584,772	370,000
Cap lease oblig.	1,014,521	488,778
+Common stock	29,000	29,000
Add. paid-in capital	3,657,708	3,662,719
Retained earnings	76,302	1,781,802
Notes receivable	(156,865)	(249,990)
Treasury stock	(12,500)	—
Total Liabilities & Shareholders' Equity	$ 25,420,356	$ 29,538,435

* At lower of cost (specific ident. number).
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1988	1987
%Income bef. Taxes to Sales	—	5.24
%Net Income to Sales	—	3.22
%Net Income to Equity	—	18.92
Sales to Inventories	1.98	2.05
Debt to Equity	3.97	3.21
Working Capital	$ 5,863,293	$ 1,645,641
Current Ratio	1.03	1.07
Shareholders' Equity	$ 3,593,645	$ 5,223,531

ARC International Corporation

4000 Chesswood Drive
Downsview, Ontario M3J 2B9 Canada
(416) 630-0200
FAX: (416) 630-4414

Officers: Arnold S. Tenney, president & chief exec. officer; Philip A. Halpern, v.p.-finance & corp. secretary; Stewart W. Chapman, v.p.; Jeffrey D. Chelin, controller & asst. secretary; Richard W. Noble, controller-U.S. Operations.

Directors: Stewart W. Chapman, Jeffrey D. Chelin, Philip A. Halpern, Robert H. Lane, Arnold S. Tenney, J. Ronald Woods,

Areas of Work: The Company's operations are principally in five industries. Cable television operations include the distribution of cable and related equipment to the Canadian cable television industry and the manufacture of coaxial connectors used in the cable television industry. Ultraviolet operations include the design, manufacture, assembly and sale of plasma arc lamps, accessories, power control equipment and photo exposure equipment used for the printed circuit board industry. Theatre and Restaurant includes the design, manufacture, assembly and sale of motion picture projectors, sound systems, lamphouses, rectifiers, follow spotlights and a line of electric and gas powered pressure fryers and related accessories. The Telecommunications and Testing segment includes the manufacture, assembly and sale of wave guides and other components for microwave transmission and the design, manufacture, assembly, sale and servicing of hardness, micro-hardness and tensile testing equipment. The Other segment includes the sale of phosphorescent pigment and production and sale of phosphorescent coated vinyl sheeting.

Subsidiaries:

Cabletel Communications, Inc.
120 Gibson Drive
Markham, Ontario, L3R 2Z3 Canada

Stirling Connectors, Inc.
211 Telson Road
Markham, Ontario, L3R 1E7 Canada

Colight
820 Decatur Avenue
North Golden Valley
Minneapolis, Minnesota 55427

Canrad
100 Chestnut Street
Newark, New Jersey 07105

Ballantyne of Omaha, Inc.
Strong International
4350 McKinley Road
Omaha, Nebraska 68112

Hanovia Lamp, Inc.
100 Chestnut Street
Newark, New Jersey 07105

Wilson Instruments, Inc.
6 Emma Street
Binghamton, New York 13905

Rockwell Hardness Testers, Ltd.
Sandy Lane
Stourport-on-Severn
Worcestershire DY1390A England

Precision Technology, Inc.
100 Chestnut Street
Newark, New Jersey 07105
60 Grafton Road
Auckland, New Zealand

Transfer Agent(s):

Central Guaranty Trust Company
88 University Avenue
Toronto, Ontario M5J 1T8 Canada

Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): American, Toronto

Ticker Symbol: ATV

Number of Employees

1989 600

Plant Footage

1989 . . . . 500,000 sq. ft.

Sales & Earnings

	Net Sales	Net Income
12/31/89	$ 88,116,000	$ (6,262,000)
12/31/88*	19,528,000	(300,000)
4/30/88	24,154,000	631,000
4/30/87	18,127,000	607,000
4/30/86	4,505,000	361,000

	No. of Com. Shares	Earn. per Share +
12/31/89	6,929,217	$ —
12/31/88*	6,405,965	—
4/30/88	5,955,073	0.11
4/30/87	5,554,301	0.10

(Loss)
* 8 months.
+ Based on the weighted average number of common shares outstanding.

ARC International Corporation

Revenues by Line of Business

	1989	1988
Cable television	$ 34,449,000	$ 19,528,000
Ultraviolet	15,396,000	—
Theatre and restaurant	17,787,000	—
Telecommunications	18,391,000	—
Other	2,093,000	—
Total	$ 88,116,000	$ 19,528,000

Common Stock Equity

	Total Equity	Equity Per Share
12/31/89	$ 6,411,000	$ 0.93
12/31/88	11,269,000	1.76
4/30/88	9,772,000	1.64
4/30/87	8,399,000	1.51
4/30/86	6,722,000	—

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 88,116,393	$ 19,527,561
Cost of sales	70,315,142	15,972,155
Expenses	15,415,339	3,086,601
Interest expense	4,024,842	518,093
Other expense (income)	(518,432)	54,610
Restruc. charge	4,905,688	—
Loss bef. taxes	$ (6,026,186)	$ (103,898)
Income taxes	236,209	196,289
Net Loss	$ (6,262,395)	$ (300,187)

* Included in Costs and Expenses, Depreciation and Amortization: $1,636,827 in 1989 and $167,626 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & short-term deposits	$ 676,927	$ 1,706,329
Accts. receiv., net	11,884,457	11,501,974
Refundable taxes	820,000	—
*Inventories	18,363,128	21,299,861
Prepaid expenses	1,001,868	1,496,093
Current Assets	$ 32,746,380	$ 36,004,257
Assets held for sale	2,000,000	—
Receivables	2,100,315	2,269,989
Investments	305,874	1,576,736
#Fixed assets	12,705,145	14,722,708
Intangibles	5,693,288	5,353,519
Deferred inc. taxes	320,804	366,949
Total Assets	$ 55,871,806	$ 60,294,158

Liabilities

Bank indebtedness	$ 4,106,992	$ 2,749,495
Long-term debt, curr.	385,854	368,086
Accts. payable & accruals	11,116,947	11,965,239
Income taxes	232,007	—
Deferred income	92,395	114,264
Current Liabilities	$ 15,934,195	$ 15,197,084
Long-term debt	29,587,313	29,608,374
Deferred income	231,936	287,622
Other liabilities	3,707,434	3,932,370
+Common stock	12,380,114	11,255,069
Retained earnings (deficit)	(6,583,690)	(321,295)
For. curr. trans. adjust.	614,504	334,934
Total Liabilities & Shareholders' Equity	$ 55,871,806	$ 60,294,158

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	4.80	0.92
Debt to Equity	5.32	2.90
Working Capital	$ 16,812,185	$ 20,807,173
Current Ratio	2.06	2.37
Shareholders Equity	$ 6,410,928	$ 11,268,708

Arden Group, Inc.

2020 South Central Avenue
Compton, California 90220
(213) 638-2842
FAX: (213) 631-0950

Officers: Curtis H. Palmer, chairman of the board; Bernard Briskin, president & chief executive officer; Milton H. Barker, v.p.; Ernest T. Klinger, v.p.-finance & administration & chief financial officer; Brian D. Donnan, controller & asst. secretary; Douglas Freund, v.p.-MIS; Anne Pearson, asst. secretary.

Directors: Bernard Briskin*, Chester I. Lappen*, Frederick A. Schnell*, Curtis H. Palmer*, Stuart A. Krieger, Daniel Lembark, Ben Winters.

* Member of the Executive Committee

Business Activities: Operates supermarkets in southern California under the names Mayfair and Gelson's. Also distributes communications equipment, and chemicals and equipment for the maintenance of swimming pools.

Divisions and Subsidiaries:

Mayfair Markets
Operates five Mayfair supermarkets in southern California.

Gelson's Markets
Operates eight Gelson's supermarkets in southern California.

Telautograph Corporation
Primarily engaged in the distribution and servicing of communications equipment and supplies which are used for the instantaneous transmission of messages to remote locations. Its GPS Division distributes chemicals and equipment for the maintenance of swimming pools.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ARDN (NASDAQ)

Number of Stores: (at fiscal year end)

1989	13	1986	28
1988	14	1985	50
1987	21		

Sales & Earnings

	Net Sales	Net Income +
1989	$ 346,909,000	$ 11,836,000
1988	350,156,000	10,205,000
1987	359,872,000	7,375,000
1986*	398,834,000	4,609,000
1985	415,855,000	5,688,000

	No. of Com. Shares	Earn. per Share + #
1989	1,512,724	$ 7.22
1988	1,512,724	6.22
1987	1,512,724	3.64
1986*	2,085,470	1.89
1985	2,342,470	2.30

* 53 weeks.
+ Including extraordinary gains of $16,000 ($0.01 per share) in 1989, $12,000 ($0.01 per share) in 1988, $15,328 ($0.01 per share) in 1985 and extraordinary loss of $230,000 ($0.12 per share) in 1987.
# Based on the average number of shares outstanding.

Revenues by Line of Business

	1989	1988
Market operations	$ 236,387,000	$ 236,969,000
Communications operations	97,660,000	101,846,000
Other operations	12,862,000	11,341,000
Total	$ 346,909,000	$ 350,156,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.30	—	—

Common Stock Equity

	Total Equity +	Equity Per Share
1989	$ 39,170,000	$ 25.89
1988	27,639,000	18.27
1987	17,750,000	11.73
1986	30,687,000	14.71
1985	33,258,000	14.20

+ After allowing for preferred stock at liquidation value.

Income Account *

Year ended	12/30/89	12/31/88
Net sales	$ 346,909,000	$ 350,156,000
Cost of sales	194,263,000	194,095,000
Expenses	131,173,000	135,507,000
Interest income	(4,027,000)	(3,869,000)
Interest expense	4,673,000	6,000,000
Other expense	281,000	497,000
Income bef. taxes	$ 20,546,000	$ 17,926,000
Income taxes	8,726,000	7,733,000
Net Income	$ 11,820,000	$ 10,193,000
Extraord. gain	16,000	12,000
Net Income & extraord. gain	$ 11,836,000	$ 10,205,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,517,000 in 1989 and $13,964,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 9,869,000	$ 16,936,000
Accts. & notes receiv., net	33,201,000	36,149,000
*Inventories	41,449,000	22,734,000
Prepaid expenses	1,130,000	1,210,000
Current Assets	$ 85,649,000	$ 77,029,000

Invest. in dir. fin. & sales type leases	499,000	1,458,000
Notes & contracts receiv.	7,282,000	12,533,000
Prop. for resale	2,689,000	3,083,000
#Fixed assets	40,807,000	41,967,000
Other assets	3,724,000	3,194,000
Total Assets	$ 140,650,000	$ 139,264,000

Liabilities

Long-term debt, curr.	$ 2,113,000	$ 9,655,000
Accts payable	15,736,000	12,888,000
Other curr. liab.	25,748,000	25,991,000
Curr. Liabilities	$ 43,597,000	$ 48,534,000
Long-term debt	34,837,000	35,362,000
Deferred income	9,616,000	13,372,000
Deferred taxes	1,357,000	1,596,000
Other liabilities	2,340,000	3,028,000
+Preferred stock	2,433,000	2,433,000
++Common stock	932,000	932,000
Add. paid-in capital	15,380,000	15,380,000
Notes receiv. - officer	(458,000)	(449,000)
Retained earnings	51,935,000	40,395,000
Treasury stock	(21,319,000)	(21,319,000)
Total Liabilities & Shareholders' Equity	$ 140,650,000	$ 139,264,000

* At lower of cost (FIFO, specific identification & average) or market; nonperishable inventories at LIFO.
# Less accumulated depreciation and amortization.
+ $15 par value; $2.25 cumulative.
++ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.92	5.12
%Net Income to Sales	3.41	2.91
%Net Income to Equity	24.17	27.27
Sales to Inventories	8.37	15.40
Debt to Equity	0.76	1.20
Working Capital	$ 42,052,000	$ 28,495,000
Current Ratio	1.96	1.59
Shareholders' Equity	$ 48,903,000	$ 37,372,000

J. Baker, Inc.

65 Sprague Street
Readville, Massachusetts 02137
(617) 364-3000

Officers: Sherman N. Baker, chairman of the board; Jerry M. Socol, president, chief exec. officer; Paul P. Douillette, sr. exec. v.p. & gen. merch. mgr.; Lawrence G. Geller, sr. exec. v.p. & dir. of store oper.; Alan I. Weinstein, sr. exec. v.p., chief fin. officer, treasurer, sec., & chief adm. officer; Alvin Dubin, exec. v.p.-gen. mgr., Parade of Shoes; Philip G. Rosenberg, exec. v.p., corporate controller, asst. treasurer & asst. sec.; Daniel Simpson, exec. v.p.-president, Parade of Shoes; Richard Derois, first sr. v.p.-asst. dir. of store oper.; Brian Eddy, first sr. v.p.-asst. gen. merch. mgr.; Virginia Pitts, first sr. v.p.-human resources; Sidney Volin, first sr. v.p.-asst. gen. merch. mgr.; Marcia McCullough, sr. v.p.-merch. mgr.; Ronald B. Mitchell, sr. v.p.-managment information systems dir.; Jay Scheiner, sr. v.p.-dir. of budgets & inventory control; Robert J. Schoen, sr. v.p.-real estate; Laura R. Dacey, v.p.-finance; Raymond Derois, v.p.-store operations; Mark Fletcher, v.p.-divisional merch. mgr.; Thomas Grundig, v.p.-store operations; Ronald Harvell, v.p.-store operations; David Mileto, v.p.-store operations; Dennis Peoples, v.p.-store operations; Steve Rollins, v.p.-divisional merch. mgr.; Allan Shapiro, v.p.-asst. to gen. merch. mgr.; Jeffrey Silverman, v.p.-divisional merch. mgr.; Lewis Strassberg, v.p.-management information systems; Richard Volpe, v.p.-divisional merch. mgr..

Directors: Sherman N. Baker, chairman; Jerry M. Socol, J. Christopher Clifford, Ervin D. Cruce, Thomas H. Lee, Stanley Simon.

Business Activities: Operates 1,135 licensed shoe departments in 21 states, 125 Parade of Shoes women's retail shoe stores primarily in the Northeast, and engages in the wholesale distribution of shoes. The licensed shoe departments are in the Jamesway and S.E. Nichols chains owned by Spencer Companies, Zayre stores owned by Ames Department Stores, Inc., and in the Rose's Stores, Inc.

Subsidiary:

Spencer Companies, Inc.
450 Summer Street
Boston, Massachusetts 02210
(617) 542-8120

Operates 193 leased shoe departments in discount department stores in the central and eastern states.

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JBAK (NASDAQ)

Number of Stores: (at fiscal year-end)

	Licensed Shoe Departments	Parade Stores
1990	1,135	125
1989	602	100
1988	558	81
1987	508	51
1986	357	17

Sales & Earnings

	Net Sales	Net Income +
1989*	$ 399,229,556	$ 13,148,590
1988	249,524,717	8,137,750
1987	200,680,008	7,465,510
1986	165,796,480	7,974,442
1985†	70,627,425	(3,471,714)

	No. of Com. Shares ‡	Earn. per Share +‡
1989*	9,024,225	$ 1.46
1988	8,165,409	1.00
1987	9,254,475	0.81
1986	8,611,559	0.93
1985†	6,840,000	—

(Loss)
* 53 weeks.
† 29 weeks.
+ Including extraordinary gain of $1,596,000 ($0.19 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.06	—	—
1988	0.06	—	—
1987	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 85,249,240	$ 9.45
1988	37,410,441	4.58
1987	29,789,356	3.22
1986	33,760,516	3.92
1985	528,286	0.08

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 399,229,556	$ 249,524,717
Cost of sales	238,876,390	158,661,785
Expenses	123,544,984	70,579,915
Depreciation & amortization	7,977,997	4,062,283
Interest expense	8,930,486	3,341,878
Interest income	(164,891)	(63,894)
Income before taxes	$ 20,064,590	$ 12,942,750
Income taxes	6,916,000	4,805,000
Net Income	$ 13,148,590	$ 8,137,750

Assets

As of	2/3/90	1/28/89
Cash	$ 4,553,015	$ 1,052,588
Accts. receiv., net	13,470,781	7,243,635
*Inventories	139,465,376	78,686,941
Prepaid expenses	3,945,911	1,688,773
Current Assets	$ 161,435,083	$ 88,671,937
# Fixed assets	34,228,148	18,147,619
Prop. held under cap. leases	—	111,059
Other assets	41,617,918	4,037,483
Total Assets	$ 237,281,149	$ 110,968,098

Liabilities

Long-term debt, curr.	$ —	$ 1,200,000
Cap. lease oblig., curr.	—	144,060
Accts. payable	81,763,978	47,014,907
Accrued taxes	257,734	246,794
Accrued payroll	2,664,306	1,169,358
Accrued interest	1,776,000	352,493
Other accruals	1,736,134	1,329,135
Income taxes	147,097	1,019,700
Curr. Liabilities	$ 88,345,249	$ 52,476,447
Long-term debt	25,000,000	19,650,000
Deferred inc. taxes	4,857,000	946,000
Other liabilities	435,160	485,210
Sr. subord. notes	33,394,500	—
+ Common stock	5,076,847	4,097,145
Add. paid-in capital	48,500,016	14,253,330
Retained earnings	31,672,377	19,059,966
Total Liabilities & Shareholders' Equity	$ 237,281,149	$ 110,968,098

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.03	5.19
%Net Income to Sales	3.29	3.26
%Net Income to Equity	15.42	21.75
Sales to Inventories	2.86	3.17
Debt to Equity	0.29	0.56
Working Capital	$ 73,089,834	$ 36,195,490
Current Ratio	1.83	1.69
Shareholders' Equity	$ 85,249,240	$ 37,410,441

The Banker's Note, Inc.

4900 Highlands Parkway
Smyrna, Georgia 30082
(404) 432-0636
FAX: (404) 432-2499

Officers: Martin S. Suchik, chairman of the board, president & chief executive officer; Harold D. Cannon, v.p.-operations & secretary; Thomas J. Thirkell, chief financial officer & treasurer; James H. Stancil, v.p.-stores.

Directors: Martin S. Suchik, chairman; Harold D. Cannon, Jerry L. Barton, Walter S. Segaloff, S. K. Chow, Kenneth L. Bernhardt.

Business Activities: Operates 75 ladies' apparel specialty stores under the names The Banker's Note and Brenda Allen's in nine southern states. These stores carry broad lines of moderate to better-priced ladies' apparel ranging in price from $20 to $100. Although the Company emphasizes the sale of brand-name fashions, it also designs and has manufactured a significant amount of private label goods sold in its stores.

Acquisition:

Heirlooms, Inc.
Berwyn, Pennsylvania
A wholesale distributor of its own line of ladies' knitwear.

Transfer Agent(s):

The Citizens and Southern National Bank
33 North Avenue
Atlanta, Georgia 30348

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BKNT (NASDAQ)

Number of Stores: (at fiscal year end)

1990	75
1989	68
1988	66
1987	75

Sales & Earnings

	Net Sales	Net Income
1990*	$ 43,888,000	$ (553,000)
1989	36,712,000	679,000
1988	39,855,000	(1,482,000)
1987	34,585,000	1,374,000
1986	24,279,000	1,228,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	3,335,000	$ —
1989	3,222,000	0.21
1988	3,218,000	—
1987	3,426,000	0.40
1986	2,853,000	0.43

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 6,532,000	$ 1.96
1989	6,910,000	2.14
1988	6,353,000	1.97
1987	6,223,000	1.82
1986	8,353,000	2.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 43,888,000	$ 36,712,000
Cost of sales	30,401,000	25,351,000
Expenses	13,643,000	9,908,000
Depreciation & amortization	837,000	616,000
Interest expense	149,000	6,000
Interest income	(372,000)	(401,000)
Store clos. costs	106,000	125,000
Income (loss) before taxes	$ (876,000)	$ 1,107,000
Income taxes (credit)	(439,000)	428,000
Minority interest	116,000	—
Net Income (Loss)	$ (553,000)	679,000

Assets

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 589,000	$ 3,168,000
Accts. receiv., net	713,000	325,000
Notes receiv.-officers	355,000	108,000
Refundable taxes	348,000	—
*Inventories	6,248,000	4,588,000
Prepaid expenses	254,000	202,000
Current Assets	$ 8,507,000	$ 8,391,000
#Fixed assets	2,995,000	2,066,000
Other assets	188,000	75,000
Intangibles	602,000	—
Total Assets	$ 12,292,000	$ 10,532,000

Liabilities

Note payable-bank	$ 770,000	$ —
Due to factor	660,000	—
Accts. payable	2,678,000	1,902,000
Accruals	1,016,000	734,000
Accrued payroll	110,000	208,000
Customer credits	98,000	89,000
Income taxes	—	187,000
Curr. Liabilities	$ 5,332,000	$ 3,120,000
Deferred inc. taxes	428,000	502,000
+Common stock	43,000	42,000
Add. paid-in capital	4,138,000	3,959,000
Retained earnings	3,911,000	4,464,000
Treasury stock	(1,340,000)	(1,335,000)
Stock subscrip. receiv.	(220,000)	(220,000)
Total Liabilities & Shareholders' Equity	$ 12,292,000	$ 10,532,000

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income before Taxes to Sales	—	3.02
%Net Income to Sales	—	1.85
%Net Income to Equity	—	9.83
Sales to Inventories	7.02	8.00
Debt to Equity	0.12	—
Working Capital	$ 3,175,000	$ 5,271,000
Current Ratio	1.60	2.69
Shareholders' Equity	$ 6,532,000	$ 6,910,000

BATUS Inc.

2000 Citizens Plaza
Louisville, Kentucky 40202
(502) 581-8000

BATUS Inc. is a wholly-owned subsidiary of B.A.T. Industries p.l.c of London, England. The company is divesting all U.S. retailing operations in the summer of 1990 pursuant to B.A.T. Industries' announced restructuring plan.

Officers: Patrick Sheehy, chairman; Henry F. Frigon, president & chief exec. officer; Leonard W. Arentsen, exec. v.p.; Carl J. Heger, sr. v.p. & chief financial officer; A. C. Martinez, sr. v.p.; R. W. Tyler, v.p. & controller; W. W. Wyatt, Jr., v.p.-corp-affairs & government relations; Tony G. Hall, v.p.-human resources; David A. Schechter, v.p. & general counsel; Leonard E. Lyles, v.p.-minority affairs; David H. Roe, v.p. & treasurer; Robert H. Sachs, v.p. & secretary; S. Michael Porvaznik, v.p.-corp. strategic planning.

Directors: Patrick Sheehy, chairman; Henry F. Frigon, Leonard W. Arentsen, R. J. Pritchard, A. C. Martinez, Carl J. Heger, Gordon Bond, Leo E. Denlea, Jr..

Business Activities: Organized in four industrial segments -- Tobacco, Retail, Paper, and Financial Services. Brown & Williamson Tobacco Corporation manufactures cigarettes, including Barclay, Kool, Lucky Strike, Raleigh and Viceroy. Appleton Papers, Inc. produces carbonless and thermal paper and colored enamels. The Farmers Group, Inc. provides insurance services. Retail operations are as listed below.

Retail Divisions:

Saks Fifth Avenue
12 East 49th Street
New York, New York 10022
(212) 753-4000
Operates 45 fashion specialty stores in 20 states.

Breuner's
3201 Fostoria Way
San Ramon, California 94583
(415) 866-4437
Operates 17 quality home furnishing stores and 44 furniture rental stores in Arizona, California and Nevada.

Ivey's
127 North Tryon Street
Charlotte, North Carolina 28202
(704) 372-3511
Operates 23 department stores in North and South Carolina and Florida.

Marshall Field's & Company
111 North State Street
Chicago, Illinois 60690
(312) 781-1000
Operates 23 department stores in Illinois, Wisconsin and Texas.

Number of Stores: (at fiscal year end)

	Department Stores	Special Stores
1988	46	20
1987	49	101
1986	50	90
1985	45	72
1984	134	56

	Furnishing Stores
1988	61
1987	57
1986	57
1985	59
1984	57

Sales & Earnings

	Net Sales +	Net Income
1988	$ 6,250,517,000	$ 535,338,000
1987	5,834,501,000	466,203,000
1986	5,499,452,000	393,663,000
1985	5,086,902,000	163,532,000
1984	4,876,023,000	313,523,000

+ Of continuing operations only.

Revenues by Line of Business
(000's)

	1988	1987
Tobacco	$ 2,763,114	$ 2,486,553
Retailing	2,643,327	2,568,636
Paper	844,076	779,312
Total	$ 6,250,517	$ 5,834,501

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	$ 6,250,517	$ 5,834,501
Cost of sales	3,345,357	3,171,475
Fed. excise taxes	480,200	494,668
Expenses	1,469,285	1,263,701
Interest expenses	58,400	88,194
Income before taxes	$ 897,275	$ 816,463
Income taxes	361,937	350,260
Net Income	$ 535,338	$ 466,203

* Included in Costs and Expenses, Depreciation and Amortization: $186,710,000 in 1988 and $175,622,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	$ 53,146	$ 7,126
Short-term invest.	424,608	1,188,538
Accts. receiv., net	209,519	323,975
*Inventories	874,326	787,571
Other curr. assets	124,271	111,811
Current Assets	$ 1,685,870	$ 2,419,021
#Fixed assets	1,974,762	1,509,651
Investments	1,835,490	—
Intangibles	2,622,336	239,066
Other assets	3,372,969	470,438
Total Assets	$ 11,491,427	$ 4,638,176

Liabilities
(000's)

	1988	1987
Long-term debt & cap. lease oblig., curr.	$ 8,458	$ 6,577
Accts. payable	401,578	347,701
Accruals	632,442	481,840
Due to affil. co.	281,793	29,035
Income taxes payable	289,011	269,294
Curr. Liabilities	$ 1,613,282	$ 1,134,447
Long-term debt	4,109,025	910,529
Other liab.	3,513,497	747,915
+Common stock	1	1
Add. paid-in capital	73,252	73,252
Retained earnings	2,182,370	1,772,032
Total Liabilites & Shareholders' Equity	$ 11,491,427	$ 4,638,176

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.36	13.99
%Net Income to Sales	8.56	7.99
%Net Income to Equity	23.73	25.26
Sales to Inventories	7.15	7.41
Debt to Equity	1.83	0.50
Working Capital	$ 72,588,000	$ 1,284,574,000
Current Ratio	1.04	2.13
Shareholders' Equity	$ 2,255,623,000	$ 1,845,285,000

The Becker Milk Company Limited

671 Warden Avenue
Scarborough, Ontario M1L 3Z7, Canada
(416) 698-2591
FAX: (416) 698-2907

Officers: Frank A. Bazos, chairman of the board; Geoffrey W. J. Pottow, president; Robert Bazos, vice chairman; George Panos, vice chairman; Arvi Magi, exec. v.p. & secretary treasurer; Harold Keene, v.p.; Lorne Smith, v.p..

Directors: Frank A. Bazos, chairman; Robert W. Lowe, Robert Bazos, E. S. Miles, George Panos, Geoffrey W. J. Pottow, Arvi Magi, R. S. Paddon.

Business Activities: Operates a chain of dairy and convenience stores throughout Ontario. Also engaged in the business of processing milk and dairy products.

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario, Canada
Montreal, Quebec, Canada

Stock Exchange(s): Toronto

Ticker Symbol: BEKQ

Number of Stores: (at fiscal year end)

Year	Stores
1989	739
1988	778
1987	743
1986	692
1985	681

Sales & Earnings

	Net Sales	Net Income ‡
1989	$ 395,894,969	$ 1,529,781
1988	379,497,098	4,836,634
1987	336,889,960	4,948,500
1986	312,958,537	5,550,560
1985	283,084,979	6,699,151

	No. of Com. Shares #	Earn. per Share ‡ #
1989	1,728,360	$ 0.87
1988	1,728,360	2.78
1987	1,728,360	2.84
1986	1,728,360	3.19
1985	1,728,360	3.86

‡ Including extraordinary gain of $582,000 ($0.34 per share) in 1985.
# Based on common shares and Class B shares combined.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.75	—	—
1988	0.75	—	—
1987	0.75	—	—
1986	1.18	—	—
1985	0.60	—	—

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	$ 53,974,893	$ 31.23
1988	53,775,432	31.11
1987	50,321,522	29.12
1986	46,703,342	27.02
1985	43,217,655	25.01

† After allowing for Class A preference stock at par value.
‡ Based on common shares and Class B shares combined.

Income Account

Year ended April 30	1989	1988
Net sales	$ 395,894,969	$ 379,497,098
Cost of sales & expenses	382,414,490	360,343,292
Depreciation & amortization	8,440,706	7,640,502
Interest expense	2,528,992	1,310,902
Income before taxes	$ 2,510,781	$ 10,202,402
Income taxes	981,000	5,365,768
Net Income	$ 1,529,781	$ 4,836,634

Assets

As of April 30	1989	1988
Cash	$ 86,641	$ 87,095
Accts. receiv., net	5,802,153	4,050,285
*Inventories	33,614,811	32,634,856
Income tax refund	1,544,338	1,048,938
Prepaid expenses	578,756	1,194,9[illegible]
Investments, curr.	93,070	169,6[illegible]
Current Assets	$ 41,719,769	$ 39,185,810
Investments	248,798	178,414
#Fixed assets	72,969,352	75,229,778
Other assets	2,609,321	2,606,531
Total Assets	$ 117,547,240	$ 117,200,533

Liabilities

	1989	1988
Bank indebtedness	$ 12,866,779	$ 15,017,711
Accts. payable & accruals	22,336,279	25,185,535
Dividends payable	648,135	648,135
Long-term debt, curr.	1,395,629	1,009,809
Curr. Liabilities	$ 37,246,822	$ 41,861,190
Long-term debt	25,094,998	18,862,287
Deferred inc. taxes	663,027	1,135,124
Minority interest	—	999,000
+Class A preferred stock	567,500	567,500
++Class B special stock	916,955	916,955
+++Common stock	288	288
Retained earnings	53,057,650	52,858,189
Total Liabilities & Shareholders' Equity	$ 117,547,240	$ 117,200,533

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $100 par value; 6% cumulative.
++ No par value; non-voting, non-cumulative.
+++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	0.63	2.69
%Net Income to Sales	0.39	1.27
%Net Income to Equity	2.80	8.90
Sales to Inventories	11.78	11.63
Debt to Equity	0.70	0.62
Working Capital	$ 4,472,947	—
Current Ratio	1.12	—
Shareholders' Equity	$ 54,542,393	$ 54,342,932

W. Bell & Co., Inc.

12401 Twinbrook Parkway
Rockville, Maryland 20852
(301) 881-2000
FAX: (301) 468-5661

Officers: Walter Bell, chairman of the board & president; Bernard M. Blum, exec. v.p.; Fredric J. Bell, sr. v.p.; Desmond J. Karmolinski, v.p.-marketing; Warren E. Lawhon, v.p.-advertising & catalog production; Dorothy Bell, secretary; Martin Pfeifer, v.p.-finance, treasurer; Larry McPherson, v.p.-corp. systems; Thomas E. Tatum, v.p.-branch operations; Michael O. Kraft, v.p.-merchandising.

W. Bell & Co., Inc.

Directors: Walter Bell, chairman; Bernard M. Blum, Fredric J. Bell, Dorothy Bell, Martin Pfeifer.

Business Activities: Operates a chain of 20 showrooms/warehouses selling gift merchandise; also conducts catalog sales. Showrooms are located in the Washington D.C.; Baltimore, Maryland; and Chicago, Illinois, metropolitan areas.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BLLW (NASDAQ)

Number of Stores:

1989	20	1986	22
1988	18	1985	21
1987	17		

Sales & Earnings

	Net Sales	Net Income #
1990+	$ 110,558,000	$ (4,513,000)
1989*	79,293,000	2,234,000
1988	117,782,000	1,165,000
1987	129,828,000	(8,074,000)
1986	143,356,000	(2,161,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1990+	3,808,916	$ —
1989*	3,847,300	0.58
1988	3,825,771	0.31
1987	3,810,645	—
1986	3,814,697	—

(Loss)
+ 53 weeks.
* 7 months.
* Including extraordinary gains of $665,000 ($0.17 per share) in 1989 and $459,000 ($0.12 per share) in 1988.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 16,914,000	$ 4.44
1989	21,428,000	5.57
1988	19,195,000	5.02
1987	18,034,000	4.73
1986	26,188,000	6.87

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89 (7 months)
Net sales	$ 110,558,000	$ 79,293,000
Cost of sales	88,474,000	61,226,000
Expenses	23,507,000	13,816,000
Depreciation & amortization	1,691,000	1,000,000
Interest expense	1,247,000	642,000
Writedown of prop. held for sale	394,000	—
Inc. (loss) bef. taxes	$ (4,755,000)	$ 2,609,000
Income taxes (credit)	(242,000)	1,040,000
Net Income (Loss)	$ (4,513,000)	$ 1,569,000
Extraord. gain	—	665,000
Net Income (Loss) & extraord. gain	$ (4,513,000)	$ 2,234,000

Assets

As of	2/3/90	1/28/89
Cash	$ 1,599,000	$ 5,514,000
Accts. receiv., net	126,000	131,000
Income taxes	141,000	39,000
*Inventories	30,433,000	32,229,000
Other curr. assets	2,284,000	2,090,000
Current Assets	$ 34,583,000	$ 40,003,000
#Fixed assets	11,651,000	12,509,000
Other assets	589,000	101,000
Total Assets	$ 46,823,000	$ 52,613,000

Liabilities

Long-term debt, curr.	$ 44,000	$ 27,000
Accts. payable	14,821,000	15,700,000
Other curr. liab.	2,268,000	3,044,000
Reserve for store closing	116,000	530,000
Curr. Liabilities	$ 17,249,000	$ 19,301,000
Long-term debt	12,068,000	11,754,000
Accum. benefit oblig.	592,000	—
Deferred inc. taxes	—	130,000
+Common stock	386,000	386,000
Add. paid-in capital	19,014,000	19,014,000
Retained earnings (deficit)	(2,386,000)	2,127,000
Treasury stock	(100,000)	(99,000)
Total Liabilities & Shareholders' Equity	$ 46,823,000	$ 52,613,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.29
%Net Income to Sales	—	1.98
%Net Income to Equity	—	7.32
Sales to Inventories	3.63	2.46
Debt to Equity	0.72	0.55
Working Capital	$ 17,334,000	$ 20,702,000
Current Ratio	2.00	2.07
Shareholders' Equity	$ 16,914,000	$ 21,428,000

Berkshire Hathaway Inc.

1440 Kiewit Plaza
Omaha, Nebraska 68131
(402) 346-1400

Officers: Warren E. Buffett, chairman of the board & chief executive officer; Charles T. Munger, vice chairman; Robert H. Bird, v.p.; J. William Scott, v.p.; Michael A. Goldberg, v.p.; J. Verne McKenzie, v.p. & secretary; Stanford Lipsey, v.p.; Marc D. Hamburg, treasurer; Daniel J. Jaksich, controller.

Directors: Warren E. Buffett, chairman; Charles T. Munger, Kenneth V. Chace, Malcom G. Chace, Jr., J. Verne McKenzie, Walter Scott, Jr..

Business Activities: Operates Nebraska Furniture Mart, Inc., a large home furnishings retail store located in Omaha, Nebraska; Borsheim's, a large retail jewelry store also in Omaha, Nebraska; and See's Candy Shops, Inc., a chain of over 200 retail candy shops in the West and Midwest. Also, through subsidiaries, the company is engaged in the underwriting of property and casualty insurance, the trading stamps business, the newspaper business, the manufacture and marketing of vacuum cleaners and related accessories, the marketing of educational books, and the manufacture and marketing of uniforms.

Divisions and Subsidiaries:

National Indemnity Company
3024 Harney Street
Omaha, Nebraska 68131

National Fire and Marine Insurance Co.
3024 Harney Street
Omaha, Nebraska 68131

Columbia Insurance Company
3024 Harney Street
Omaha, Nebraska 68131

Cornhusker Casualty Co.
3035 Harney Street
Omaha, Nebraska 68131

Kansas Fire & Casualty Co.
Topeka, Kansas

Continental Divide Insurance Co.
Inglewood, Colorado

Lakeland Fire and Casualty Co.
6700 France Avenue South
Minneapolis, Minnesota 55435

Insurance Co. of Iowa
1228-8th Street
West Des Moines, Iowa 50265

Texas United Insurance Co.
1802 N E Loop 410
San Antonio, Texas 78217

Home and Automobile Insurance Co.
209 West Jackson Boulevard
Chicago, Illinois 60606

Cypress Insurance Company
Pasadena, California

See's Candy Shops, Inc.
Operates over 200 retail stores in twelve western and midwestern states, offering boxed chocolates and other confectionary items that it manufactures.

Wesco Financial Corporation (80.1% owned)
315 E. Colorado Boulevard
Pasadena, California 91109

Illinois National Bank & Trust Co. of Rockford (98% owned)
228 Main Street
Rockford, Illinois 61101

Sun Newspapers, Inc.
900 S. 74 Plaza, Suite 400
Omaha, Nebraska 68114

Blue Chip Stamps
5801 South Eastern Avenue
Los Angeles, California 90040

Precision Steel Warehouse, Inc. (80% owned)
Franklin Park, Illinois

Nebraska Furniture Mart (90% owned)
Omaha, Nebraska
Operates a discount furniture store in Omaha, Nebraska.

Borsheim's
Omaha, Nebraska
Operates a large jewelry store in Omaha, Nebraska.

The Scott & Fetzer Company
Westlake, Ohio

The Fechheimer Brothers Company (84% owned)
Cincinnati, Ohio

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BRK

Sales & Earnings

	Revenues ‡	Net Income
1989	$ 2,483,892,000	$ 447,477,000
1988	2,464,893,000	399,270,000
1987	2,431,782,000	234,552,000
1986	2,452,208,000	282,361,000
1985	1,463,638,000	435,815,000

	No. of Com. Shares	Earn. per Share +
1989	1,146,000	$ 390.01
1988	1,146,000	348.23
1987	1,147,000	204.51
1986	1,147,000	246.19
1985	1,147,000	379.99

‡ Revenues include insurance premiums, sales and service revenues, and interest and dividend income.
+ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Insurance	$ 865,026	$ 943,873
Candy	186,053	168,166
Retailing of home furn.	156,762	152,541
Newspaper	135,647	131,664
Encyclopedias	338,397	337,990
Home cleaning prods.	158,959	144,145
Uniform mfg. & distr.	93,930	92,514
Other	549,118	494,000
Total	$ 2,483,892	$ 2,464,893

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 4,925,126,000	$ 4,297.67
1988	3,410,108,000	2,975.66
1987	2,841,659,000	2,477.47
1986	2,377,797,000	2,073.06
1985	1,885,330,000	1,643.71

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Sales & service rev.	$ 1,526,459	$ 1,407,642
Insurance prem. earned	394,279	584,235
Int. & dividend income	331,452	314,251
Realized invest. gain	223,810	131,671
Other income	7,892	27,094
Revenues	$ 2,483,892	$ 2,464,893
Cost of prods. & serv. sold	844,056	753,845
Expenses	526,359	495,331
Insurance losses	309,391	437,695
Insurance underwriting expenses	109,288	157,621
Interest expense	77,574	70,280
Income before taxes	$ 617,224	$ 550,121
Income taxes	159,287	140,791
Minority interest	10,460	10,060
Net Income	$ 447,477	$ 399,270

* Included in Costs and Expenses, Depreciation and Amortization: $32,107,000 in 1989 and $29,808,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 205,127	$ 256,081
Accts. receiv., net	554,763	579,910
Investments	8,057,186	5,374,045
*Inventories	195,927	167,293
#Fixed assets	207,432	194,390
Other assets	239,159	236,129
Total Assets	$ 9,459,594	$ 6,816,848

Liabilities
(000's)

Long-term debt	$ 1,007,516	$ 480,009
Losses & loss adj. expenses	1,436,311	1,407,189
Unearned premiums	143,631	241,818
Savings accounts	291,592	286,909
Accts. payable, accruals and other liab.	443,602	325,514
Income taxes	1,129,038	598,905
Min. shareholders' int.	82,778	66,396
+Common stock	6,876	6,876
Add. paid-in capital	157,377	157,377
Apprec. of eq. securities	2,342,198	1,274,657
Retained earnings	2,460,968	2,013,491
Treasury stock	(42,293)	(42,29[illegible]
Total Liabilities & Shareholders' Equity	$ 9,459,594	$ 6,816,848

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or average.
# Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	24.85	22.32
%Net Income to Revenues	18.02	16.20
%Net Income to Equity	9.09	11.71
Debt to Equity	0.20	0.14
Shareholders' Equity	$ 4,925,126,000	$ 3,410,108,000

Best Products Co., Inc.

Parham Road At 1-95
Richmond, Virginia 23227
(804) 261-2000
FAX: (804) 261-2250

Mailing address:
P.O. Box 26303
Richmond, Virginia 23260

(The Company was acquired by BAC Holdings Group, Inc., on March 3, 1989.)

Officers: Jerry E. Goldress, chairman, president & chief exec. officer; Norman S. Matthews, vice chairman; Frances A. Lewis, exec. v.p.; Mark B. Hacken, sr. v.p.-jewelry; Robert A. Kendig, sr. v.p.-merchandising; Fred A. Wollenberg, sr. v.p.-planning & marketing; John Penn, sr. v.p.-real estate & administration; Sydney Lewis, chairman-exec. committee; Kevin M. McNamara, v.p.-finance; Richard M. Cross, v.p. & treasurer; Michael G. Fisch, v.p.; Kevin S. Penn, v.p..

Directors: Jerry E. Goldress, chairman; Norman S. Matthews, Robert L. Burrus, Sydney Lewis, Frances Lewis, Frank S. Royal, John W. Snow, Leonard P. Shaykin, Michael G. Fisch, Kevin S. Penn.

Business Activities: Sells jewelry and nationally advertised brand-name merchandise through 194 catalog showrooms in 27 states under the name "Best" and operates a 36-store jewerly store chain, "Best Jewelry," in nine states and the District of Columbia.

Number of Stores: (at fiscal year end)

1990	229	1987	205
1989	230	1986	257
1988	216		

NOTE: Approximately 97% of the common stock of Best Products Co., Inc. was purchased on November 8, 1988 by a subsidiary of BAC Holdings Group, Inc. As a consequence of this change of control, the Company is deemed for financial reporting purposes to have become a new reporting entity on that date.

Sales & Earnings

	Net Sales	Net Income †
2/3/90+	$ 2,094,570,000	$ (53,809,000)
1/28/89*	809,457,000	39,297,000
1/30/88	2,066,589,000	30,527,000
1/31/87	2,142,118,000	(25,593,000)
2/1/86	2,234,768,000	2,223,000

	No. of Com. Shares #	Earn. Per Share †#
2/3/90+	—	$ —
1/28/89*	24,951,000	1.57
1/30/88	26,698,000	1.14
1/31/87	26,984,000	—
2/1/86	26,936,000	0.08

(Loss)
+ 53 weeks.
* 11 weeks.
† Including extraordinary gain of $5,494,000 ($0.20 per share) in 1988 and extraordinary loss of $2,600,000 in 1987.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
2/3/90	$ —	—	—
1/28/89	—	—	—
1/30/88	—	—	—
1/31/87	0.12	—	—
2/1/86	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
2/3/90	$ 71,234,000	$ —
1/28/89	89,293,000	3.58
1/30/88	402,536,000 ‡	15.08
1/31/87	386,790,000 ‡	14.33
2/1/86	415,028,000 ‡	15.41

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares outstanding.

Income Account
(000's)

As of	2/3/90 (11 weeks)	1/28/89
Net sales	$ 2,094,570	$ 809,457
Cost of sales	1,529,598	575,467
Expenses	435,452	124,334
Depreciation & amortization	56,0[illegible]	13,216
Interest expense	147,801	30,573
Inc. (loss) bef. taxes	$ (74,289)	$ 65,867
Income taxes (credit)	(20,480)	26,570
Net Income (Loss)	$ (53,809)	$ 39,297

Assets
(000's)

As of	2/3/90	1/28/89
Cash & short-term invest.	$ 8,435	$ 253,278
Accts. receiv., net	32,213	32,614
*Inventories	509,617	579,651
Other curr. assets	33,508	12,394
Current Assets	$ 583,773	$ 877,937
#Fixed assets	347,855	370,315
Prop. under cap. leases	243,020	268,098
Goodwill	152,316	148,814
Other assets	111,244	70,431
Total Assets	$ 1,438,208	$ 1,735,595

Liabilities
(000's)

Long-term debt. & cap. lease oblig., curr.	$ 70,348	$ 292,088
Accts. payable	267,947	317,073
Accruals	74,437	107,503
Income taxes	—	22,173
Curr. Liabilities	$ 412,732	$ 738,837
Long-term debt	684,349	636,961
Cap. lease oblig.	130,301	137,993
Deferred credits	139,592	132,511
+Common stock	—	24,951
Add. paid-in capital	85,750	25,049
Retained earnings (deficit)	(14,516)	39,293
Total Liabilities & Shareholders' Equity	$ 1,438,208	$ 1,735,595

* At lower of cost (LIFO) or market. Electronics inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.14
%Net Income to Sales	—	4.85
%Net Income to Equity	—	44.01
Sales to Inventories	4.11	1.40
Debt to Equity	12.42	11.95
Working Capital	$ 171,041,000	$ 139,100,000
Current Ratio	1.41	1.19
Shareholder's Equity	$ 71,234,000	$ 89,293,000

Big B, Inc.

2600 Morgan Road at I-459 So.
Bessemer, Alabama 35023
(205) 424-3421
FAX: (205) 426-8748

Mailing address:
P.O. Box 10168
Birmingham, Alabama 35202

Officers: Joseph Bruno, chairman of the board; Anthony J. Bruno, president; Arthur M. Jones, Sr., exec. v.p., secretary & treasurer; Vincent J. Bruno, v.p.-merchandising & advertising; Bobby W. Little, v.p.-store operations; John F. Hight, Jr., v.p.-professional relations; James A. Bruno, v.p.-marketing; S. Steven Taylor, v.p.-real estate & store development; Eugene A. Beckmann, v.p.-human resources; Michael J. Tortorice, v.p.-finance.

Directors: Joseph Bruno, chairman; Anthony J. Bruno, Arthur M. Jones, Sr., Vincent J. Bruno, Isaac L. Alderman, Katherine M. McTyeire, Richard Cohn.

Business Activities: Operates 296 Big "B" drugstores, 4 Home Health Care centers, and 17 Drugs For Less discount stores in five southern states with the great majority located in Georgia and Alabama.

The Reed Drug Company
Atlanta, Georgia
Operates 85 drug stores located primarily in the Atlanta and Columbus, Georgia areas.

Transfer Agent(s):

First Alabama Bank
Montgomery, Alabama

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIGB (NASDAQ)

Number of Stores: (at fiscal year end)

1990	300	1987	153
1989*	210	1986	135
1988	188		

*Figure for 1989 does reflect acquisition of The Reed Drug Company, which occurred subsequent to fiscal year-end.

Sales & Earnings

	Net Sales	Net Income
1990*	$ 417,717,000	$ 3,715,000
1989	271,276,000	7,261,000
1988	248,563,000	7,276,000
1987	209,787,000	4,469,000
1986	175,431,000	4,039,000

	No. of Com. Shares	Earn. per Share #
1990*	7,476,705	$ 0.50
1989	7,425,703	0.97
1988	7,393,003	0.94
1987	7,369,245	0.61
1986	6,609,745	0.61

* 53 weeks.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.16	—	—
1988	0.15	—	—
1987	0.09	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 69,304,000	$ 9.27
1989	66,103,000	8.90
1988	59,557,000	8.06
1987	57,527,000	7.81
1986	34,563,000	5.23

Income Account
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 417,717	$ 271,276
Cost of sales	290,591	189,147
Expenses	108,426	67,847
Depreciation & amortization	6,140	3,605
Gain on sale of prop.	(171)	(1,130)
Interest expense	6,960	1,308
Interest income	(32)	(14)
Income before taxes	$ 5,803	$ 10,513
Income taxes	2,088	3,800
Cum. effect of acct. change	—	(503)
Net Income	$ 3,715	$ 7,216

Assets
(000's)

As of	2/3/90	1/28/89
Cash & temp. cash. invest.	$ 266	$ 938
Receivables, net	15,194	7,224
*Inventories	135,338	90,782
Prepaid expenses	3,551	1,145
Current Assets	$ 154,349	$ 100,089
#Fixed assets	44,452	25,398
Other assets	2,646	420
Total Assets	$ 201,447	$ 125,907

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 627	$ 447
Notes payable	11,950	14,000
Accts. payable	50,820	30,763
Accrued payroll	4,359	3,084
Other accruals	2,954	1,486
Curr. Liabilities	$ 70,710	$ 49,780
Long-term debt & cap. lease oblig.	57,403	7,399
Deferred inc. taxes	3,143	2,198
Deferred comp.	488	369
Deferred gains	399	58
+Common stock	75	74
Add. paid-in capital	31,498	30,820
Retained earnings	37,731	35,209
Total Liabilities & Shareholders' Equity	$ 201,447	$ 125,907

* At LIFO cost, which is not in excess of market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.39	3.88
%Net Income to Sales	0.89	2.66
%Net Income to Equity	5.36	10.92
Sales to Inventories	3.09	2.99
Debt to Equity	1.01	0.33
Working Capital	$ 83,639,000	$ 50,309,000
Current Ratio	2.18	2.01
Shareholders' Equity	$ 69,304,000	$ 66,103,000

Big V Supermarkets, Inc.

176 North Main Street
Florida, New York 10921
(914) 651-4411

(Became a privately held corporation via a leveraged buyout in October 1987.)

Officers: Richard Rosenberg, chairman of the board; David G. Bronstein, president & chief executive officer; Gary S. Koppele, sr. v.p.-administration, treasurer & chief financial officer; E. J. Fox, v.p.-industrial relations; Cornelius J. J. Madera, Jr., sr. v.p.-corp. development, secretary & general counsel; Richard Rantala, v.p.-merchandising; John W. Beisel, Jr., v.p.-operations.

Directors: Richard Rosenberg, chairman; William Rosenberg, Walter H. Weiner, Charles Bloom, L. Frederick Polakoff, Joseph N. Hankin, David G. Bronstein.

Business Activities: Operates a chain of 26 supermarkets under the "ShopRite" name, primarily in the Hudson River Valley, New York State, area.

Number of Stores:

1988	26	1985	32
1987	N.A.	1984	32
1986	32		

N.A. - Not Available

Blair Corporation

(formerly New Process Company)

220 Hickory Street
Warren, Pennsylvania 16366
(814) 723-3600
FAX: (814) 723-3600

Officers: Murray K. McComas, president; Robert W. Blair, exec. v.p. & secretary; Giles W. Schutte, vice president & treasurer; Steven M. Blair, v.p.-order handling; Robert D. Crowley, v.p.-men's merchandise; John H. Carter, v.p.-merchandise handling; John A. Lasher, v.p.-advertising; John E. Zawacki, v.p.-women's merchandise; C. Wayne Kipple, v.p.-home furnishings; Michael J. Samargya, v.p.-data processing; Blair T. Smoulder, exec. v.p.; Richard E. Zimmerman, v.p.-personnel; Kenneth W. Bastow, asst. v.p.-merchandise handling; Lois S. Bartholomew, asst. v.p.-women's merchandise; Timothy J. Baker, v.p.-planning; Stephen P. Wiedmaier, asst. v.p.-mailing; William A. Tucker, v.p.-mailing; Thomas A. Stilwell, asst. v.p.-data processing; Rodney Henry, asst. v.p.-personnel; Thomas P. McKeever, v.p.-employee & public relations; Brian D. Waterfield, asst. v.p.-home furnishings; Randall A. Scalise, asst. v.p.-women's merchandise; Kent R. Sivillo, asst. treasurer; David A. Blair, asst. secretary; Carl H. Nelson, asst. v.p.-merchandise handling; Lawrence R. Vicini, asst. v.p.-men's merchandise; David A. Pasco, asst. v.p.-order handling.

Directors: John L. Blair, Alan J. Blair, Robert W. Blair, Giles W. Schutte, Michael J. Samargya, John H. Carter, Murray K. McComas, Steven M. Blair, Blair T. Smoulder, David A. Blair, John E. Zawacki.

Business Activities: Mail order house. Sells men's and women's apparel, plus a broad range of home furnishings, primarily by mail. Its facilities are located in the Warren, Pennsylvania, area where all functions of advertising preparation, mailing, order handling and shipping are performed.

Transfer Agent(s):

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): American

Ticker Symbol: BL

Sales & Earnings

	Net Sales	Net Income
1989	$ 431,608,113	$ 27,462,157
1988	418,278,484	34,140,702
1987	362,576,600	22,646,284
1986	359,609,041	17,694,945
1985	329,727,489	19,169,534

	No. of Com. Shares	Earn. per Share
1989	9,121,832	$ 3.01
1988	9,106,032	3.71
1987	9,354,828	2.42
1986	9,359,778	1.89
1985	9,414,178	2.03

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.61	—	—
1988	2.15	—	—
1987	1.44	—	—
1986	1.18	—	—
1985	1.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 111,357,743	$ 12.21
1988	97,987,270	10.76
1987	90,471,092	9.67
1986	81,246,352	8.68
1985	75,962,268	8.07

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 431,608,113	$ 418,278,484
Other income	15,274,324	15,045,658
Total income	$ 446,882,437	$ 433,324,142
Cost of sales	209,835,132	200,026,779
Expenses	181,123,883	164,655,034
Prov. for doubtful accts.	12,419,265	13,773,627
Income before taxes	$ 43,504,157	$ 54,868,702
Income taxes	16,042,000	20,728,000
Net Income	$ 27,462,157	$ 34,140,702

* Included in Costs and Expenses, Depreciation: $3,071,450 in 1989 and $2,814,305 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,636,285	$ 6,358,657
Short-term invest.	7,872,793	9,073,107
Accts. receiv., net	81,007,301	78,227,835
*Inventories	52,020,397	47,767,525
Deferred inc. taxes	2,435,000	—
Prepaid expenses	336,615	322,477
Current Assets	$ 147,308,391	$ 141,749,601
#Fixed assets	18,724,338	17,241,112
Total Assets	$ 166,032,729	$ 158,990,713

Liabilities

Accts. payable	$ 30,670,428	$ 25,675,317
Advance payments	2,061,430	1,482,412
Accruals	7,792,698	8,173,397
Dividends payable	10,581,325	15,480,254
Income taxes	3,569,105	5,964,063
Deferred income taxes	—	4,228,000
Curr. Liabilities	$ 54,674,986	$ 61,003,443
+Common stock	419,810	419,810
Add. paid-in capital	4,183,205	3,295,367
Retained earnings	123,726,242	110,950,032
Treasury stock	(16,971,514)	(16,677,939)
Total Liabilities & Shareholders' Equity	$ 166,032,729	$ 158,990,713

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.08	13.12
%Net Income to Sales	6.36	8.16
%Net Income to Equity	24.66	34.84
Sales to Inventories	8.30	8.76
Working Capital	$ 92,633,405	$ 80,746,158
Current Ratio	2.69	2.32
Shareholders' Equity	$ 111,357,743	$ 97,987,270

Bobbie Brooks, Inc.

3830 Kelley Avenue
Cleveland, Ohio 44114
(216) 881-5300

Officers: Robert H. Kanner, chairman, president, chief exec. officer & chief financial officer; Stephen R. Kalette, v.p.-administration, secretary & general counsel.

Directors: Robert H. Kanner, chairman; Stephen R. Kalette, Stanely R. Browne.

Business Activities: The Company operates 35 department stores in 11 states through its Kline Brothers Company subsidiary, manufactures women's coats labeled "Wellington" and "Elegant" through its Main Line Fashions subsidiary, manufactures women's sportswear through its Shaker Sport Apparel subsidiary and owns two commercial printing plants. The Company also licenses the "Bobbie Brooks" name.

Divisions and Subsidiaries:

Main Line Fashions, Inc.
New York, New York

Shaker Sport Apparel Co.
Cleveland, Ohio

Kline Brothers Company
Operates 35 department stores in 11 states under the "Kline's," "Golde's," "Katz's," "Johnson Hill's" and "Weinberg's" trade names.

Tabard/Copley Graphics, Inc.
New York, New York
Commercial printing.

Buxton & Skinner Printing Company
St. Louis, Missouri
Commercial printing.

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BBKS (NASDAQ)

Number of Stores:

1989 35

Sales & Earnings

	Net Sales †	Net Income‡
1989	$ 127,674,000	$ 4,342,000
1988	68,987,000	4,841,000
1987	16,325,000	323,000
1986	35,914,000	5,556,000
1985*	31,058,000	(7,000,000)

	No. of Com. Shares	Earn. per Share ‡ #
1989	12,833,209	$ 0.14
1988	12,833,209	0.40
1987	7,333,209	0.04
1986	7,528,309	0.74
1985*	7,465,788	—

(Loss)
* 8 months.
† Of continuing operations only.
‡ Including extraordinary credit of $2,463,000 ($0.33 per share) in 1986.
# Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Retail sales	$ 79,637,000	$ 37,520,000
Apparel manufacturing	21,211,000	21,202,000
Commercial printing	26,826,000	10,265,000
Total	$ 127,674,000	$ 68,987,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 22,508,000 ‡	$ 1.75
1988	20,661,000 ‡	1.61
1987	11,311,000	1.54
1986	11,267,000	1.50
1985	5,649,000	0.76

‡ After allowing for preferred stock at redemption value and unpaid cumulative preferred stock dividends.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 127,674	$ 68,987
Cost of sales	87,771	47,392
Expenses	34,635	17,421
Depreciation & amortization	1,645	654
Interest income	(278)	(385)
Interest expense	1,652	805
Other income	(2,747)	(2,121)
Income bef. taxes	$ 4,996	$ 5,221
Income taxes	654	380
Net Income	$ 4,342	$ 4,841

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 6,202	$ 4,255
Marketable securities	520	2,241
Trade receivables	15,003	15,446
*Inventories	30,214	24,985
Prepaid expenses & other curr. assets	2,253	1,652
Current Assets	$ 54,192	$ 48,579
#Fixed assets	15,012	12,892
Intangibles	11,565	12,114
Other assets	1,239	1,248
Total Assets	$ 82,008	$ 74,833

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 1,584	$ 637
Accts. payable	12,076	12,666
Accruals & sundry liabilities	10,639	11,530
Income taxes pay.	364	122
Loan payable	1,365	3,000
Current Liabilities	$ 26,028	$ 27,955
Long-term debt	8,575	3,621
Dividends payable	—	1,021
Deferred credits	1,029	1,223
+Preferred stock	1	1
++Common stock	13	13
Add. paid-in capital	48,083	48,083
Retained earnings (deficit)	(1,721)	(7,084)
Total Liabilities & Shareholders' Equity	$ 82,008	$ 74,833

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ $0.001 par value; cumulative dividends of 4% above averaged base lending rate.
++ $0.001 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	3.91	7.57
% Net Income to Sales	3.40	7.02
% Net Income to Equity	9.36	11.80
Sales to Inventories	4.23	2.76
Debt to Equity	0.22	0.10
Working Capital	$ 28,164,000	$ 20,624,000
Current Ratio	2.08	1.74
Shareholders Equity	$ 46,376,000	$ 41,013,000

Brendle's Incorporated

1919 North Bridge Street
Elkin, North Carolina 28621
(919) 526-5600
FAX: (919) 526-6588

Officers: Douglas D. Brendle, chairman of the board, president & chief executive officer; Dennis B. Johnson, president & chief operating officer; James J. Eversole, exec. v.p.-marketing; Jeffrey D. Mick, exec. v.p.-store operations; David R. Renegar, secretary & controller.

Directors: Douglas D. Brendle, S. Floyd Brendle, William F. Cosby, Patty Brendle Redway, John D. Gray, James B. Edwards, Thomas H. Davis.

Business Activities: Operates 45 discount retail stores in Georgia, North Carolina, South Carolina, Tennessee and Virginia. These stores offer a broad assortment of jewelry and other hard goods.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Winston-Salem, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BRDL (NASDAQ)

Number of Stores:

1990	45	1988	42
1989	40		

Sales & Earnings

	Net Sales	Net Income
1989	$ 277,416,000	$ 3,431,000
1988	261,104,000	1,268,000
1987	228,155,000	3,882,000
1986	210,850,000	7,209,000
1985	183,572,000	6,649,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	8,035,000	$ 0.43
1988	8,064,000	0.16
1987	8,332,000	0.47
1986	7,996,000	0.90
1985	7,102,000	0.94

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 68,532,000	$ 8.53
1988	65,532,000	8.13
1987	64,888,000	7.79
1986	63,454,000	7.94
1985	35,225,000	4.96

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 277,416	$ 261,104
Cost of sales	202,227	189,146
Expenses	59,634	55,910
Depreciation & amortization	6,023	5,363
Interest expense:		
Cap. leases	2,175	2,330
Other	1,623	1,303
Prov. for store clos.	—	4,695
Income before taxes	$ 5,734	$ 2,357
Income taxes	2,303	1,089
Net Income	$ 3,431	$ 1,268

Assets
(000's)

As of Jan. 31	1990	1989
Cash & temp. cash invest.	$ 1,224	$ 3,451
Accts. receiv., net	2,956	845
*Inventories	81,363	71,212
Other curr. assets	566	438
Current Assets	$ 86,109	$ 75,946
#Fixed assets	40,625	38,442
Defer. inc. taxes	1,312	1,786
Other assets	1,519	1,359
Total Assets	$ 129,565	$ 117,533

Liabilities
(000's)

	1990	1989
Notes payable	$ 14,000	$ —
Long-term debt, curr.	1,181	1,020
Accts. payable	27,405	29,691
Accrued compensation	1,077	779
Other accruals	3,181	2,630
Income taxes	—	1,663
Curr. Liabilities	$ 46,844	$ 35,783
Long-term debt	10,634	12,196
Deferred credit	1,138	829
Other liabilities	2,417	3,193
+Common stock	8,377	8,377
Add. paid-in capital	19,745	19,745
Retained earnings	42,775	39,653
Treasury stock	(2,365)	(2,243)
Total Liabilities & Shareholders' Equity	$ 129,565	$ 117,533

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	2.07	0.90
%Net Income to Sales	1.24	0.49
%Net Income to Equity	5.01	1.93
Sales to Inventories	3.41	3.67
Debt to Equity	0.38	0.20
Working Capital	$ 39,265,000	$ 40,163,000
Current Ratio	1.84	2.12
Shareholders' Equity	$ 68,532,000	$ 65,532,000

Brown Group, Inc.

P.O. Box 29
8400 Maryland Avenue
St. Louis, Missouri 63166
(314) 854-4000
FAX: (314) 854-4274

Officers: B. A. Bridgewater, Jr., chairman of the board, president, & chief executive officer; Harry E. Rich, exec. v.p. & chief financial officer; Robert D. Pickle, v.p., corp. secretary & general counsel; William S. Frederick, v.p. & controller; J. J. Cramer, v.p. & pres.-Brown Group International; Ordean H. Burud, v.p.-real estate; Robert D. Gibbs, v.p.-distribution; Donald G. Lenoard, v.p.-management information systems; Andrew M. Rosen, treasurer.

Directors: W. L. Hadley Griffin*, Warren McK. Shapleigh*, Richard W. Shomaker*, B. A. Bridgewater, Jr.*, Daniel R. Toll*, William E. Maritz, Harry E. Rich*, Joan F. Lane, Joseph L. Bower, Morton I. Sosland, Monte E. Shomaker, honorary director.

* Member of the Executive Committee

Business Activities: Manufactures, markets and retails a wide range of brand name, nationally advertised footwear for women, men and children. Also operates company-owned shoe stores, leased retail shoe departments in department stores, and retail fabric stores.

Subsidiaries:

Footwear:

Brown Shoe Company
8300 Maryland Avenue
St. Louis, Missouri 63105
Manufactures and distributes footwear.

Brown Shoe Co. of Canada, Ltd.
1857 Rogers Road
Perth, Ontario K7H 3E3 Canada
Manufactures and distributes footwear.

Wohl Shoe Company
8350 Maryland Avenue
St. Louis, Missouri 63105
Operates leased shoe departments and shoe stores.

Pagoda Trading Company, Inc.
1950 Craig Road
St. Louis, Missouri 63146
Imports footwear.

Specialty Retailing:

Cloth World
8500 Maryland Avenue
St. Louis, Missouri 63105
Operates 319 retail fabric stores throughout the U.S.

F.X. LaSalle Company

Transfer Agent and Registrar:

Boatmen's Trust Company
Corporate Trust Division
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: BG

Number of Stores:* (at fiscal year end)

1989	3,965	1986	4,168
1988	4,128	1985	4,324
1987	4,213		

* Includes company-owned stores, leased departments, and independently owned affiliates.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989*	$ 1,820,547	$ 33,827
1988	1,706,565	8,283
1987	1,571,955	46,853
1986	1,292,549	39,503
1985	1,294,679	51,573

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	17,346,000	$ 1.95
1988	17,349,000	0.48
1987	17,831,000	2.63
1986	18,269,000	2.16
1985	19,497,000	2.65

* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Footwear	$ 1,608,014	$ 1,510,469
Specialty retailing	212,533	196,096
Total	$ 1,820,547	$ 1,706,565

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.60	—	—
1988	1.56	—	—
1987	1.52	—	—
1986	1.46	—	—
1985	1.38	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 338,963,000	$ 19.39
1988	332,705,000	19.10
1987	355,001,000	20.33
1986	353,089,000	19.63
1985	374,729,000	19.87

Income Account *
(000's)

Year ended	2/3/90	1/28/89
Net sales	$ 1,820,547	$ 1,706,565
Cost of sales	1,136,601	1,062,371
Expenses	620,803	581,323
Interest expense	20,748	16,983
Sundry income	(4,167)	(2,526)
Income bef. taxes	$ 46,562	$ 48,414
Income taxes	15,735	18,280
Inc.-cont. oper.	$ 30,827	$ 30,134
Inc. (loss)-discont. oper.	3,000	(21,851)
Net Income	$ 33,827	$ 8,283

* Included in Costs and Expenses, Depreciation and Amortization: $27,978,000 in 1989 and $26,501,000 in 1988.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 22,274	$ 11,968
Accts. receiv., net	141,033	135,063
*Inventories	333,336	338,148
Net assets - discont. oper.	1,698	13,137
Prepaid exp. & other curr. assets	32,672	28,997
Current Assets	$ 531,013	$ 527,313
#Fixed assets	146,094	146,831
Net assets - discont. oper.	—	10,533
Other assets	35,863	43,533
Total Assets	$ 712,970	$ 728,210

Liabilities
(000's)

Notes payable	$ 56,101	$ 67,769
Long-term debt, curr.	3,767	4,502
Accts. payable	86,126	86,352
Employee compensation and benefits	34,740	43,205
Other accruals	41,707	41,815
Income taxes	2,132	234
Curr. Liabilities	$ 224,573	$ 243,877
Long-term debt & cap. lease oblig.	132,398	136,044
Deferred compensation plans	3,084	3,089
Deferred inc. taxes	13,952	12,495
+Common stock	65,566	65,330
Add. paid-in capital	25,122	21,555
Retained earnings	251,462	247,542
Unamort. value of restricted stock	(4,525)	(3,110)
Cumulative trans. adjustment	1,338	1,388
Total Liabilities & Shareholders' Equity	$ 712,970	$ 728,210

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $3.75 par value.

Statistical Summary

%Net Income to Equity	9.98	2.49
Sales to Inventories	5.46	5.05
Debt to Equity	0.61	0.63
Working Capital	$ 306,440,000	$ 283,436,000
Current Ratio	2.36	2.16
Shareholders' Equity	$ 338,963,000	$ 332,705,000

Burlington Coat Factory Warehouse Corporation

Route 130
Burlington, New Jersey 08016
(609) 386-3314
FAX: (609) 386-0976

Officers: Monroe G. Milstein, chairman, president & chief exec. officer; Henrietta Milstein, v.p.-children's wear & secretary; Andrew Milstein, v.p., asst. secretary & general counsel; Stephen E. Milstein, v.p.-men's wear; Mark A. Nesci, v.p.-store operations; Robert L. LaPenta, Jr., corp. controller & chief accounting officer; Norman Ross, v.p. & gen. merchandise mgr.; Elisabeth Stout, treasurer.

Directors: Monroe G. Milstein, chairman; Henrietta Milstein, Andrew Milstein, Henry Benach, Harvey Morgan.

Business Activities: Operates a chain of off-price apparel stores specializing in outerwear, in 37 states.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: BCF

Number of Stores: (at fiscal year end)

1989	134	1986	87
1988	129	1985	74
1987	107		

Sales and Earnings

	Revenues	Net Income
1989*	$ 488,384,000	$ 20,365,000
1988	585,442,000	21,709,000
1987	490,595,000	20,262,000
1986	391,608,000	17,326,000
1985	352,060,000	16,088,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	11,770,612	$ 1.73
1988	11,761,386	1.85
1987	11,748,673	1.73
1986	11,717,939	1.48
1985	11,700,150	1.38

* 8 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 193,809,000	$ 14.67
1988	172,555,000	14.67
1987	150,830,000	12.84
1986	130,060,000	11.10
1985	112,120,000	9.58

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	7/1/89 (8 months)	10/29/88
Net sales	$ 479,934	$ 574,910
Other income	8,450	10,532
Total income	$ 488,384	$ 585,442
Cost of sales	315,448	383,748
Expenses	132,983	158,888
Depreciation & amortization	5,768	6,889
Interest expense	2,046	2,153
Income before taxes	$ 32,139	$ 33,764
Income taxes	11,774	12,055
Net Income	$ 20,365	$ 21,709

Assets
(000's)

As of	7/1/89	10/29/88
Cash & short-term invest.	$ 3,889	$ 13,901
Accts. receiv., net	2,853	8,412
* Inventories	222,124	258,647
Prepaid expenses	6,952	4,451
Current Assets	$ 235,818	$ 285,411
# Fixed assets	88,685	86,731
Restricted bond fund	1,835	1,761
Other assets	2,766	1,604
Total Assets	$ 329,104	$ 375,507

Liabilities
(000's)

Notes payable	$ 44,000	$ 30,900
Long-term debt, curr.	686	685
Accts. payable	51,987	132,187
Other current liabilities	19,494	19,724
Current Liabilities	$ 116,167	$ 183,496
Long-term debt	15,244	15,465
Deferred inc. taxes	2,668	3,173
Other liabilities	1,216	818
+ Common stock	11,808	11,762
Add. paid-in stock	44,703	43,860
Retained earnings	137,298	116,933
Total Liabilities & Shareholders' Equity	$ 329,104	$ 375,507

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.70	5.87
%Net Income to Sales	4.24	3.78
%Net Income to Equity	10.51	12.58
Sales to Inventories	2.16	2.22
Debt to Equity	0.31	0.27
Working Capital	$ 119,651,000	$ 101,915,000
Current Ratio	2.03	1.56
Shareholders' Equity	$ 193,809,000	$ 172,555,000

Businessland Inc.

1001 Ridder Park Drive
San Jose, California 95131
(408) 437-0400
FAX: (408) 437-7560

Officers: David A. Norman, chairman, president & chief exec. officer; Ronald J. Brown, sr. v.p.-businessland services; John M. Russell, sr. v.p. & chief financial officer; James A. Heisch, sr. v.p.-marketing & sales; Douglas C. Johnston, sr. v.p.-product management; Beverly K. Aoki, v.p.-training & technical services; Suzanne M. Crocker, v.p.-marketing & communications; Robert P. Berry, v.p.-businessland service; Arthur W. Dana, v.p.-information services; Kevin R. Compton, v.p.-businessland advanced systems; Murray L. Dennis, v.p.-North American Sales; P. Brooks McChesney, v.p., general counsel & corp. secretary; Robert R. Nadal, Jr., v.p.-sales operations; N. Martin Nielson, v.p.-distribution operations; Alan J. McMillan, v.p.; Denny K. Paul, v.p.-international; John H. Moyer, v.p.-human resources; Michael J. Poehner, v.p.-Eastern Region; Bruce R. Smith, v.p.-Central Region; Frederick A. Snow, v.p.-Western Region; Brian Leeland, v.p.-businessland rents; Gary Sorkin, v.p.-national accounts; Paul M. Schuman, v.p.-direct division.

Directors: David A. Norman, chairman; E. David Crockett, Enzo N. Torresi, Michael G. Berolzheimer, Neill H. Brownstein, David W. Hanna, Michael D. Kaufman.

Areas of Work: Operates 87 computer retail-and-service centers which sell, service and support microcomputer and workstation products from leading manufacturers.

Subsidiaries:

ComputerCraft, Inc.
Operates 24 computer retail stores in Texas, Nevada and California.

Businessland (UK) Limited
United Kingdom
Operates eight computer retail centers in the United Kingdom.

Morris Detection Systems, Inc.
Owns and operates three computer retail centers in the northeastern United States.

Transfer Agent(s):

Bank of America, N.T. & S.A.

Stock Exchange(s): New York

Ticker Symbol: BLI

Number of Stores: (at fiscal year end)

1989	87
1988	94
1987	94

Sales & Earnings x

	Net Sales	Net Income †
1989	$ 1,188,741,000	$ 32,876,000
1988	980,316,000	17,312,000
1987	686,958,000	12,633,000
1986	496,092,000	(2,159,000)
1985	404,683,000	(2,701,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	32,095,000	$ 1.08
1988	29,791,000	0.64
1987	26,415,000	0.48
1986	24,302,000	—
1985	24,088,000	—

(Loss)
x Restated to include operations of ComputerCraft, Inc., acquired on a pooling of interests basis.
† Including extraordinary gains of $4,635,000 ($0.18 per share) in 1987, $8,497,000 in 1986 and extraordinary loss of $195,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1989	$ 198,108,000	$ 6.17
1988	124,332,000	4.17
1987	104,181,000	3.94
1986	86,964,000	3.58
1985	74,415,000	3.09

x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1989	1988‡
Net sales	$ 1,188,741	$ 980,316
Cost of sales	878,201	717,080
Expenses	248,279	226,409
Interest expense	9,912	7,498
Interest income	(3,427)	(2,021)
Income before taxes	$ 55,776	$ 31,350
Income taxes	22,900	14,038
Net Income	$ 32,876	$ 17,312

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $13,803,000 in 1989 and $11,854,000 in 1988.

Assets
(000's)

As of June 30	1989	1988‡
Cash & cash equiv.	$ 88,886	$ 39,752
Accts. receiv., net	178,733	143,712
Other receivables	33,579	17,078
*Inventories	209,013	150,499
Prepaid expenses	1,579	1,859
Current Assets	$ 511,790	$ 352,900
#Fixed assets	50,563	36,417
Other assets	14,498	17,708
Total Assets	$ 576,851	$ 407,025

Liabilities
(000's)

Notes payable	$ —	$ 17,758
Accts. payable	226,448	132,846
Accruals	24,956	23,214
Income taxes pay.	2,896	3,381
Deferred income	13,809	13,037
Curr. Liabilities	$ 268,109	$ 190,236

Sr. promissory notes	50,000	—
Convert. subord. deben.	50,000	89,994
Other liabilities	10,634	2,463
+Common stock	148,925	103,744
Retained earnings	52,165	19,289
Cum. trans. adjust.	(2,982)	1,299
Total Liabilities & Shareholders' Equity	$ 576,851	$ 407,025

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.69	3.20
%Net Income to Sale	2.77	1.77
%Net Income to Equity	16.59	13.92
Sales to Inventories	5.69	6.51
Debt to Equity	0.25	0.14
Working Capital	$ 243,681,000	$ 162,664,000
Current Ratio	1.91	1.86
Shareholders' Equity	$ 198,108,000	$ 124,332,000

Cache, Inc.

1460 Broadway, 16th Floor
New York, New York 10036
(212) 840-4242
FAX: (212) 840-4225

Officers: Roy Chapman, chairman of the board & chief executive officer; Norman Polonofsky, president; Roy Smith, v.p.-store operations; Mae Soo Hoo, v.p.; Algis Spokavicius, v.p.; Thomas E. Reinckens, v.p. & chief financial officer; Michael E. James, secretary.

Directors: Roy Chapman, chairman of the board; Norman A. Polonofsky, Mark E. Goldberg, Andrew M. Saul, Joseph E. Saul, Morton J. Schrader.

Business Activities: Operates 60 women's apparel specialty stores under the name "Cache". The company specializes in the sale of high fashion women's apparel and accessories in the better to expensive price range.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CACH (NASDAQ)

Number of Stores: (at fiscal year end)

1989 47
1988 38
1987 31
1986 30
1985 34

Sales & Earnings

	Net Sales	Net Income †
1989	$ 34,277,000	$ 809,000
1988	25,741,000	528,000
1987	17,935,000	(4,948,000)
1986	16,169,000	(4,269,000)
1985	18,254,000	(1,957,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	33,618,000	$ 0.02
1988	32,291,000	0.02
1987	25,100,000	—
1986	7,797,000	—
1985	5,375,000	—

(Loss)
† Including extraordinary gains of 258,000 ($0.01 per share) in 1989, $173,000 ($0.01 per share) in 1988 and $2,217,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 4,800,000	$ 0.10
1988	1,830,000	0.06
1987	1,240,000	0.04
1986	77,000	0.01
1985	2,527,000	0.47

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/30/89	12/31/88
Net sales	$ 34,277,000	$ 25,741,000
Cost of sales	21,898,000	16,846,000
Operating expenses	7,030,000	4,869,000
Expenses	4,234,000	3,200,000
Interest expense	245,000	266,000
Inc. bef. taxes	$ 870,000	$ 560,000
Income taxes	319,000	205,000
Net Income	$ 551,000	$ 355,000
Extraord. gain	258,000	173,000
Net Income & extraord. gain	$ 809,000	$ 528,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,005,000 in 1989 and $784,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 619,000	$ 480,000
Acct. receiv., net	399,000	761,000
*Inventories	3,707,000	3,618,000
Prepaid expenses	81,000	107,000
Current Assets	$ 4,806,000	$ 4,966,000
#Fixed assets	5,828,000	3,875,000
Other assets	139,000	232,000
Total Assets	$ 10,773,000	$ 9,073,000

Liabilities

Short-term debt-bank	$ 1,225,000	$ 1,250,000
Short-term debt-rel. party	—	750,000
Cap. lease oblig., curr.	58,000	—
Accts. payable	1,761,000	1,084,000
Accrued compensation	991,000	699,000
Other accruals	1,395,000	1,472,000
Curr. Liabilities	$ 5,430,000	$ 5,255,000
Debt to rel. party	—	1,883,000
Cap. lease oblig.	294,000	—
Other liabilities	249,000	105,000
+Common stock	291,000	287,000
Add. paid-in capital	16,004,000	13,785,000
Retained earnings (deficit)	(11,495,000)	(12,242,000)
Total Liabilities & Shareholders' Equity	$ 10,773,000	$ 9,073,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.54	2.18
%Net Income to Sales	1.61	1.38
%Net Income to Equity	11.48	19.40
Sales to Inventories	9.25	7.11
Debt to Equity	0.33	2.12
Shareholders' Equity	$ 4,800,000	$ 1,830,000

Campeau Corporation

40 King Street West
Suite 5800
Toronto, Ontario, M5H 3Y8, Canada
(416) 868-6460
FAX: (416) 365-2510

NOTE: Two of Campeau Corporation's indirect subsidiaries, Federated Department Stores, Inc. and Allied Stores Corporation, together with certain of their subsidiaries, filed for protection under Chapter 11 of the U.S. Bankruptcy Code.

Officers: Robert Campeau, chairman of the board & chief executive officer; Ronald W. Tysoe, president & chief operating officer-Federated Stores, Inc.; David W. Beirnes, sr. v.p.-finance & treasurer-Campeau Corp.; William I. Kennedy, sr. v.p.-general counsel & secretary-Campeau Corp.; Dale Kearns, v.p. & controller-Campeau Corp.; Paul Campbell, president-Campeau Canada; Jean E. Martineau, sr. v.p.-urban development-Campeau Canada; Randy Scharfe, sr. v.p.-shopping centers-Campeau Canada; G. William Miller, chairman & chief exec. officer-Federated Stores, Inc.; James M. Zimmerman, president & chief oper. officer-Federated Department Stores & Allied Stores; Allen I. Questrom, chairman & chief executiveofficer-Federated Dept. Stores & Allied Stores; Thomas G. Cody, exec. v.p.-legal & human resources, Federated Dept. Stores & Allied Stores; Byron E. Allumbaugh, chairman & chief exec. officer-Ralphs Grocery Company; Patrick W. Collins, president & chief operating officer-Ralphs Grocery Company.

Directors: Robert Campeau, chairman; Robert J. Butler, Gerard Coulombe, Robert Despres, Lionel G. Dodd, Anthony F. Griffiths, Gilbert I. Newman, Pierre Peladeau, Roger Smock, Albert Reichmann.

Business Activities: The Campeau group conducts its business in three industry segments: department stores (Allied & Federated), supermarkets (Ralphs) and commercial real estate. Through two major subsidiaries, Allied Stores Corporation and Federated Department Stores, Inc., the Company operates 260 department stores in the U.S. The business is carried on under nine regional department store chains, including Abraham & Strauss, Bloomingdale's, the Bon March, Burdines, Jordan Marsh, Lazarus, Maas Brothers, Rich's and Stern's. Through its Ralphs Grocery Company subsidiary, the company operates 142 supermarkets in Southern California. The commercial real estate business of the Campeau Group includes the ownership and operation of rental property including shopping centres, office buildings and mixed-use complexes, and the sale of real estate.

Subsidiaries:

Federated Department Stores, Inc. & Allied Stores Corp.
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Federated Stores, Inc.
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Campeau Corporation
40 King Street West
Suite 5800
Toronto, Ontario M5H 3Y8 Canada

Campeau Canada
40 King Street
Suite 5800
Toronto, Ontario M5H 3Y8 Canada

Ralphs Grocery Company
1100 West Artesia Blvd.
Compton, California 90220
Operates 137 supermarkets, under the "Giant" name and others, in southern California.

Jordan Marsh
Boston, Massachusetts
Operates 26 department stores, primarily in New England.

Stern's
Paramus, New Jersey
Operates 24 department stores in New Jersey and New York.

Maas Brothers/Jordan Marsh
Tampa, Florida
Operates 38 department stores, primarily in Florida.

The Bon Marche
Seattle, Washington
Operates 40 department stores in the Pacific Northwest.

Abraham & Strauss
420 Fulton Street
Brooklyn, New York 11202
(718) 802-8500
Operates 15 full-line department stores in New York and New Jersey.

Bloomingdale's
1000 Third Avenue
New York, New York 10022
(212) 705-2000
Operates 17 upscale department stores on the East Coast and in Texas.

Burdines
22 East Flagler Street
Miami, Florida 33132
305) 835-5151
Operates 30 department stores in Florida.

Goldsmith's
123 South Main Street
Memphis, Tennessee 38143
(901) 529-4545
Operates six department stores in Tennessee.

Lazarus
Seventh & Race Streets
Cincinnati, Ohio 45202
(513) 369-7000
Operates 44 department stores in Ohio, Indiana, Kentucky, Michigan and West Virginia.

Rich's
45 Broad Street S.W.
Atlanta, Georgia 30302
(404) 586-4200
Operates 20 department stores in Georgia, South Carolina, and Alabama.

Transfer Agent(s):

National Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver, Canada.

Stock Exchange(s): Toronto, Montreal, Over-the-Counter (U.S.)

Ticker Symbol: CMP* (Toronto and Montreal); CMAFC* (NASDAQ)

Number of Stores:

1990	260	1988	487
1989	394		

Sales & Earnings x

	Net Sales + (000's)	Net Income (000's)
1990	10,439,000	(1,740,000)
1989	8,668,000	(34,000)
1988#	3,530,000	(196,000)
1987	977,000	(4,000)

	No. of Com. Shares	Earn. per Share ‡
1990	44,328,482	$ —
1989	44,323,082	—
1988#	44,314,882	—
1987	38,684,082	—
1986	38,395,708	N.A.

(Loss)
N.A. - Not Available.
x - In U.S. dollars.
# 13 months.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Department stores	$ 7,574,000	$ 6,220,000
Specialty stores	—	326,000
Supermarkets	2,556,000	1,842,000
Rental	213,000	214,000
Real estate sales	96,000	66,000
Total	$ 10,439,000	$ 8,668,000

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.30	—	—
1988	0.12	—	—
1987	0.08	—	—
1986	0.07	—	—

+ In Canadian dollars.

Common Stock Equity

	Total Equity † (000's)	Equity Per Share
1990	$ (1,768,000)	$ —
1989	(13,000)	—
1988	37,000	0.83

(Deficiency)
† After allowing for preferred stock at stated values.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Revenue	$ 10,439,000	$ 8,668,000
Cost of revenues	7,454,000	6,031,000
Real estate expenses	161,000	138,000
Expenses	1,927,000	1,618,000
Financing	1,185,000	877,000
Depreciation & amortization	371,000	308,000
Corporate expenses	80,000	57,000
Gain on sale of assets	(208,000)	(491,000)
Write-down of goodwill	958,000	—
Reorg. costs	259,000	—
Income (loss) before taxes	$ (1,748,000)	$ 130,000
Income taxes	7,000	130,000
Minority interest	(119,000)	34,000
Loss-cont. oper.	$ (1,636,000)	$ (34,000)
Loss-discont. oper.	(104,000)	—
Net Loss	$ (1,740,000)	$ (34,000)

Assets
(000's)

As of	1/31/90	1/31/89
Cash	$ 613,000	$ 521,000
Accts. receiv., net	1,827,000	1,748,000
*Inventories	1,559,000	1,586,000
Div. under agree. for sale	—	357,000
Current Assets	$ 3,999,000	$ 4,212,000
#Fixed assets	3,410,000	3,419,000
Rental properties	892,000	1,052,000
Develop. properties	422,000	473,000
Notes receivable	1,276,000	1,311,000
Other assets and deferred charges	318,000	555,000
Intangibles	1,854,000	2,862,000
Discont. real est. assets	203,000	411,000
Total Assets	$ 12,374,000	$ 14,295,000

Liabilities
(000's)

	1/31/90	1/31/89
Short-term debt	$ 1,755,000	$ 3,070,000
Convert. debentures	260,000	—
Accts. payable & accruals	819,000	1,469,000
Income taxes	—	11,000
Curr. Liabilities	$ 2,834,000	$ 4,550,000
Long-term debt	2,874,000	7,858,000
Liab. subj. to Chap. XI proc.	7,299,000	—
Conv. subord. deben.	155,000	416,000
Other liabilities	122,000	184,000
Minority interest	3,000	12,000
Deferred inc. taxes	754,000	87,000
+Retractable pref. stock:		
Series B	22,000	22,000
Series C	36,000	36,000
Series D	43,000	43,000
++Common stock	165,000	165,000
Retained earnings (deficit)	(1,954,000)	(195,000)
For. curr. trans.	21,000	17,000
Total Liabilities & Shareholders' Equity	$ 12,374,000	$ 14,295,000

* Inventories are valued by the retail method and stated on the LIFO basis, which is generally lower than market.
# Less accumulated depreciation and amortization.
+ No par value; Series B, 8% cumulative, Series C, 8.74% cumulative, Series D, 9% cumulative.
++ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	1.50
Working Capital (000's)	$ 1,165,000	—
Current Ratio	1.41	—
Shareholders' Equity (Deficiency) (000's)	$ (1,667,000)	$ 88,000

Canadian Tire Corporation, Limited

2180 Yonge Street
P.O. Box 770, Station K
Toronto, Ontario, M4P 2V8, Canada
(416) 480-3000
FAX: (416) 484-8872

Officers: H.L. Macaulay, chairman of the board; Dean Groussman, president & chief executive officer; Peter Lige, exec. v.p.-dealer relations; Clive Minto, exec. v.p.-diversified businesses; James B.J. Williams, exec. v.p.-marketing, real estate/construction & distribution; Gerald Kishner, exec. v.p.-finance & administration & chief financial officer; S.J. Bochen, v.p.-distribution; Ronald J. Jaskula, v.p.-real estate & construction; Douglas N. Heuman, v.p. & treasurer; Ted W. Chivers, v.p.-human resources; James F. Ryan, v.p.-Petroleum Division; Robert Law, secretary & general counsel; Howard E. Board, v.p. & controller; W. Rae Cowan, v.p.-marketing; Alan B. Goddard, v.p.-corporate affairs; Andrew T. Wnek, treasurer; Stanley W. Pasternak, v.p. & treasurer.

Directors: Alfred W. Billes, David G. Billes, Martha G. Biles, Pierre Cote, Hugh L. Macaulay, Steve W. Groch, Dean Groussman, Maureen J. Sabia, William S. Deluce, Donald C. Lowe, Ronald Y. Oberlander, Anthony F. Griffiths, Harry W. Macdonell, C. Edward Medland, Kenneth W. Mann, Arn E. Westlake.

Business Activities: Operates gas stations and tire and auto accessory retail outlets in Canada.

Divisions and Subsidiaries:

Canadian Tire Acceptance Limited
176 King Street
Welland, Ontario L3B 5S3, Canada

Cantire (Far East) Limited

Transfer Agent(s):

Montreal Trust Company of Canada
Toronto, Halifax, Vancouver, Montreal and Calgary

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CTR and CTR.A

Number of Stores: (at fiscal year end)

	Associate Stores	Gasoline Stations
1989	414	171
1988	408	145
1987	404	132
1986	401	118
1985	396	115

Sales & Earnings
(000's)

	Gross Operating Revenues +	Net Income ‡
1989	$ 2,956,842	$ 149,616
1988	2,640,709	125,735
1987	2,457,597	98,826
1986*	2,326,002	89,282
1985	2,077,742	(101,662)

	No. of Com. Shares #	Earn. per Share ‡ #
1989	90,762,991	$ 1.65
1988	91,101,889	1.38
1987	89,627,905	1.10
1986*	87,061,591	1.03
1985	84,085,317	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gains of $862,000 ($0.01 per share) in 1988, $1,437,000 ($0.02 per share) in 1986, and extraordinary loss of $142,492 in 1985.
# Based on the weighted average number of class A and common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.30	—	—
1988	0.24	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 920,600,000	$ 10.23
1988	824,553,000	9.09
1987	724,336,000	7.99
1986	605,373,000	6.88
1985	501,324,000	5.88

Income Account
(000's)

Year ended Dec 31	1989	1988
Gross oper. rev.	$ 2,956,842	$ 2,640,709
Cost of sales & expenses	2,635,715	2,340,658
Depreciation & amortization	30,037	26,882
Prof. sh. plan	17,976	14,488
Interest expense	39,390	37,125
Interest income	(20,582)	(17,184)
Income before taxes	$ 254,306	$ 238,740
Income taxes	104,690	108,939
Inc.-cont. oper.	$ 149,616	$ 129,801
Loss-discont. oper.	—	(4,928)
Net Income	$ 149,616	$ 124,873
Extraord. gain	—	862
Net Income & extraord. gain	$ 149,616	$ 125,735

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 158,928	$ 166,876
Accts. & loans receiv., net	167,123	183,373
Charge acct. receiv.	452,213	359,941
*Inventories	316,072	294,054
Prepaid expenses	12,481	6,990
Current Assets	$ 1,106,817	$ 1,011,234
Receiv. & investments	15,535	19,930
#Fixed assets	606,409	499,249
Other assets	1,581	1,056
Total Assets	$ 1,730,342	$ 1,531,469

Liabilities
(000's)

	1989	1988
Bank indebtedness	$ —	$ 5,768
Long-term debt. curr.	19,710	20,028
Short-term promissory notes	—	126,800
Accts. payable	295,953	193,374
Dividends payable	7,201	5,484
Accruals	149,076	134,544
Inc. taxes payable	2,479	5,077
Loan payable to dir.	1,371	2,205
Discont. oper.	19,547	23,169
Curr. Liabilities	$ 495,337	$ 516,449
Long-term debt	308,080	180,790
Deferred inc. taxes	6,325	9,677
+Class A non-voting shares	318,380	318,380
+Common shares	178	178
For. curr. trans. adj.	259	100
Retained earnings	640,608	521,807
Treasury stock	(38,825)	(15,912)
Total Liabilities & Shareholders' Equity	$ 1,730,342	$ 1,531,469

* At lower of cost (FIFO) and estimated net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.60	—
%Net Income to Sales	5.06	—
%Net Income to Equity	16.25	15.14
Debt to Equity	0.36	0.40
Working Capital	$ 611,480,000	$ 494,785,000
Current Ratio	2.23	1.96
Shareholders' Equity	$ 920,600,000	$ 824,553,000

Carter Hawley Hale Stores, Inc.

550 South Flower Street
Los Angeles, California 90071
(213) 620-0150
FAX: (213) 620-0555

Officers: Waldo H. Burnside, president & chief operating officer; Philip M. Hawley, chairman of the board & chief executive officer; Loyd E. Ellis, exec. v.p.; Martin M. Kalkstein, exec. v.p.; John M. Gailys, exec. v.p. & chief financial officer; Brian L. Fleming, sr. v.p.-accounting & taxes; Larry G. Petersen, sr. v.p.-planning; Edwin J. Holman, sr. v.p.-operations; Paul F. Chevalier, sr. v.p.-employee relations; J. Scott Meyer sr. v.p.-store planning & construction; Thomas E. Brown, v.p.-credit; Angela J. Perrin, v.p.-store planning; Theodore J. Cotti, v.p.-human resource development; E. Harlin Smith, v.p.-investor relations; Edward A. Wolfe, v.p.-loss prevention; Arthur G. Coons, v.p.-marketing; Lawrwncw J. Fiedler, v.p.-risk management; D. Clair Brumbaugh, v.p.-income tax; William E. Dombrowski, v.p.-corp. affairs; Robert J. Gilmartin, v.p.-real estate; Serena S. Kokjer, v.p.-management information services; Patricia Paolilli, v.p.-exec. development; Dale G. Thune, v.p.-property & sales tax; Walter W. Tuthill, v.p. & general auditor; John F. Busey, v.p. & treasurer; Gary J. Peterson, v.p.-distribution; Robert L. Turner, v.p.-construction; James L. Vandeberg, secretary & corporate counsel.

Directors: Norman Barker, Jr.*, Edward W. Carter*, Prentis C. Hale, Philip M. Hawley*, Walter B. Gerken*, William B. Thalhimer, Jr.*, Donn B. Miller*, Robert O. Anderson, Harold J. Haynes*, Waldo H. Burnside*, Caroline Leonetti Ahmanson, Myron Du Bain, Dennis C. Stanfill*, Leland C. McGraw, Sidney R. Peterson.

* Member of the Executive Committee

Business Activities: The Company operates 113 department stores. Its five department store divisions are The Broadway-Southern California, The Broadway-Southwest, Emporium and Weinstock's in California, Arizona, New Mexico, Colorado, Utah, and Nevada; and Thalhimers in Virginia, Tennessee, So. Carolina, and No. Carolina.

Divisions and Subsidiaries:

The Broadway-Southern California
3880 North Mission Road
Los Angeles, California 90031
(213) 227-2000

Operates 43 department stores in southern California.

The Broadway-Southwest
4000 Fiesta Mall
Mesa, Arizona 85202
(602) 263-7000

Operates 11 department stores in Arizona, Colorado, Nevada and New Mexico.

Weinstock's
Downtown Plaza
Sacramento, California 95813
(916) 449-8888

Operates 12 department stores in California, Nevada and Utah.

Emporium
835 Market Street
San Francisco, California 94103
(415) 764-2222

Operates 22 department stores in the greater San Francisco Bay Area.

Thalhimers
615 East Broad Street
Richmond, Virginia 23261
(804) 643-4211

Operates 24 department stores in Virginia, Tennessee, North Carolina and South Carolina.

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division 2-70
P.O. Box 60228, Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: CHH

Carter Hawley Hale Stores, Inc.

Number of Stores:

	Dept. Stores	Specialty Stores
1989	113	—
1988	112	—
1987	112	—
1986	114	188
1985	128	156

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1989	$ 2,787,393	$ 13,470
1988	2,617,143	17,660
1987x	1,164,338	(170,873)
1986	2,995,977	4,214
1985	2,889,950	48,025

	No. of Com. Shares	Earn. per Share #†
1989	23,060,000	$ 0.62
1988	22,592,000	0.72
1987x	20,367,000	—
1986	20,042,000	—
1985	19,559,000	0.92

(Loss)
x 26 weeks.
+ Of continuing operations only.
† Including extraordinary losses of $9,250,000 ($0.42 per share) in 1989, $1,750,000 ($0.08 per share) in 1988 and $29,253,000 in 1986.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.305	—	—
1986	1.22	—	—
1985	1.22	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (211,617,000)	$ —
1988	(230,191,000)	—
1987	145,772,000	7.16
1986	324,207,000	16.18
1985	359,354,000	18.37

(Deficiency)

Income Account *
(000's)

Year ended	7/29/89	7/30/88
Net sales	$ 2,787,393	$ 2,617,143
Cost of sales	2,001,188	1,879,664
Expenses	607,441	587,869
Gain on sale of shopping sale interest	—	(30,000)
Costs of oper. programs	—	28,500
Nonrecurr. costs of buying office clos.	6,000	—
Interest expense	160,344	135,600
Income bef. taxes	$ 12,420	$ 15,510
Income taxes	5,000	6,200
Net Income	$ 7,420	$ 9,310
Extraord. loss	(9,250)	(1,750)
Cum. effect of change in accounting method	15,300	10,100
Net Income & extraord. loss	$ 13,470	$ 17,660

* Included in Costs and Expenses, Depreciation and Amortization: $52,956,000 in 1989 and $51,829,000 in 1988.

Assets
(000's)

As of	7/29/89	7/30/88
Cash	$ 27,527	$ 24,643
Accts. receiv., net	746,305	473,826
*Inventories	562,514	536,656
Deferred inc. taxes	—	11,825
Other curr. assets	31,568	27,833
Current Assets	$ 1,367,914	$ 1,074,783
#Fixed assets	560,976	535,661
Other assets	59,475	61,178
Total Assets	$ 1,988,365	$ 1,671,622

Liabilities
(000's)

Long-term debt, curr.	$ 3,575	$ 4,364
Accts. payable	309,346	306,846
Accruals	162,228	177,648
Income taxes	10,685	12,867
Def. inc. taxes	8,773	—
Curr. Liabilities	$ 494,607	$ 501,725
Long-term debt	1,530,853	1,177,248
Cap. lease oblig.	78,244	83,168
Other liab.	57,537	62,042
Def. inc. taxes	38,741	77,630
+Common stock	230	226
Add. paid-in capital	586,449	581,349
Retained earnings (deficit)	(798,296)	(811,766)
Total Liabilities & Shareholders' Equity	$ 1,988,365	$ 1,671,622

* At LIFO cost, which is less than market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.45	0.59
%Net Income to Sales	0.27	0.67
Sales to Inventories	4.96	4.88
Working Capital	$ 873,307,000	$ 573,058,000
Current Ratio	2.77	2.14
Shareholders' Equity (Deficiency)	$ (211,617,000)	$ (230,191,000)

Cascade International, Inc.

2424 N. Federal Highway
Suite 318
Boca Raton, Florida 33431
(407) 338-8278
FAX: (407) 338-8417

Officers: Victor G. Incendy, chairman of the board & chief exec. officer; John T. Sirmans, Jr., v.p. & secretary.

Directors: Victor G. Incendy, chairman of the board; John T. Sirmans, Jr., George Duberson, Barney M. Schur, Harvey Conners, Lawrence Moses.

Business Activities: The Company, through its subsidiaries, is a broad line retailer of cosmetics, designer fragrances, skin care products and a retailer of women's apparel. Cascade operates 160 sales outlets in 18 states. The Company's subsidiaries purchase most of their merchandise directly from manufacturers who sell to the better department stores and specialty shops.

Divisions and Subsidiaries:

JB's Boutiques
Specialty shops offering premium quality women's apparel at premium prices, a wide variety of high quality perfumes, Jean Cosmetics skin care products and a collection of accessories.

Boutiques Diana
Offers women's apparel and accessories catering to career and professional women in the mid-price range.

Boutiques Allison
Operates at the lower-price echelon of women's apparel.

Cricket Shop, Inc.
A Florida based chain of specialty stores offering sportswear and swimwear.

Jean Cosmetics
Sells premium-quality, proprietary cosmetics and skin care products at premium prices, at 209 counters and 11 other cosmetic retail outlets.

Transfer Agent(s):

Fidelity Transfer Company
Salt Lake City, Utah 84111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KOSM (NASDAQ)

Sales & Earnings

	Net Sales	Net Income
1989	$ 25,708,000	$ 4,716,000
1988	21,897,000	3,821,000
1987	15,838,000	2,469,000
1986	7,325,000	1,001,000
1985*	156,000	86,000

	No. of Com. Shares +	Earn. per Share +
1989	13,479,000	$ 0.35
1988	12,216,000	0.31
1987	12,401,000	0.20
1986	N.A.	0.08
1985	N.A.	0.01

N.A. - Not Available.
* 32 weeks.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business

	1989	1988
Boutiques	$ 15,875,000	$ 14,138,000
Cosmetics	9,833,000	7,759,000
Total	$ 25,708,000	$ 21,897,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	6%	—
1988	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 22,572,000	$ 1.67
1988	11,088,000	0.91
1987	5,302,000	0.43
1986	2,833,000	—
1985	1,832,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Jun. 30	1989	1988
Revenues	$ 25,708,000	$ 21,897,000
Cost of revenues	14,968,000	13,787,000
Expenses	3,743,000	2,700,000
Gain on sale of fixed assets	(92,000)	(355,000)
Interest income	(337,000)	(264,000)
Income before taxes	$ 7,426,000	$ 6,029,000
Income taxes	2,710,000	2,208,000
Net Income	$ 4,716,000	$ 3,821,000

* Included in Costs and Expenses, Depreciation and Amortization: $425,000 in 1989 and $500,000 in 1988.

Assets

As of Jun. 30	1989	1988
Cash & cash equiv.	$ 5,294,000	$ 3,698,000
Accts. receiv., net	1,017,000	—
Other receivables	516,000	—
*Inventories	7,017,000	3,078,000
Other curr. assets	1,216,000	940,000
Current Assets	$ 15,060,000	$ 7,716,000
#Fixed assets	8,680,000	3,803,000
Other assets	917,000	603,000
Total Assets	$ 24,657,000	$ 12,122,000

Liabilities

	1989	1988
Loan payable - bank	$ 644,000	$ —
Accts. payable	735,000	402,000
Accruals	137,000	187,000
Accrued taxes	568,000	445,000
Current Liabilities	$ 2,084,000	$ 1,034,000
+Common stock	17,000	13,000
Add. paid-in capital	14,273,000	5,210,000
Retained earnings	8,833,000	5,865,000
Treasury stock	(550,000)	—
Total Liabilities & Shareholders' Equity	$ 24,657,000	$ 12,122,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value.

Statistical Summary

	1989	1988
% Income bef. Taxes to Sales	28.89	27.53
% Net Income to Sales	18.34	17.45
% Net Income to Equity	20.89	34.46
Debt to Equity	0.03	—
Working Capital	$ 12,976,000	$ 6,682,000
Current Ratio	7.23	7.46
Shareholders Equity	$ 22,573,000	$ 11,088,000

Casey's General Stores, Inc.

One Convenience Blvd.
Ankeny, Iowa 50021
(515) 965-6100
FAX: (515) 965-6205

Officers: Donald F. Lamberti, chairman & chief executive officer; Ronald M. Lamb, president & chief operating officer; Steven C. Adams, v.p.-operations; Douglas K. Shull, treasurer & chief financial officer; John G. Harmon, secretary; Robert Bowersox, v.p.-transportation; Ronald Courson, v.p.-food service; Robert Hood, v.p.-marketing; Terry Penniman, v.p.-human resources.

Directors: Ronald M. Lamb, George A. Doerner, Donald F. Lamberti, John R. Fitzgibbon, John G. Harmon, Kenneth H. Haynie, Douglas K. Shull.

Business Activities: Operates convenience-style general stores under the name "Casey's General Store" in eight Midwestern states, primarily Iowa and Missouri. Of the 732 Casey's General Stores in operation, 513 are owned or leased by the Company and 219 are owned or leased by franchisees. The store offers customers a wide selection of foods, including a broadening menu of prepared items, such as pizza, chicken, donuts and sandwiches. In addition, customers may purchase beverages, tobacco products, health and beauty aids, automotive products and other non-food items.

Transfer Agent(s):

United Missouri Bank of Kansas City, N.A.
P.O. Box 410064
Kansas City, Missouri 64141

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CASY (NASDAQ)

Number of Stores:*

1989	513	1987	380
1988	446	1986	312

* Company-owned or leased.

Sales & Earnings

	Net Sales	Net Income
1989	$ 419,237,000	$ 7,033,000
1988	336,381,000	10,551,000
1987	283,892,000	8,609,000
1986	280,275,000	6,249,000
1985	247,177,000	4,143,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	11,449,000	$ 0.61
1988	11,690,000	0.90
1987	11,777,000	0.73
1986	11,188,000	0.56
1985	9,165,000	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1989	1988
Grocery & gen. merch.	$ 174,628,021	$ 139,429,904
Gasoline	169,725,785	129,519,442
Total	$ 344,353,806	$ 268,949,346

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2 & 2-for-1
1985	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 71,116,000	$ 6.21
1988	62,408,000	5.34
1987	56,883,000	4.83
1986	47,752,000	4.27
1985	22,108,000	2.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended Apr. 30	1989	1988
Net sales	$ 419,236,978	$ 336,380,782
Franchise revenue	4,677,036	4,585,572
Total income	$ 423,914,014	$ 340,966,354
Cost of sales	335,192,607	263,606,999
Expenses	65,900,335	51,152,201
Depreciation & amortization	8,778,998	6,758,162
Interest expense	2,843,221	1,776,491
Income before taxes	$ 11,198,853	$ 17,672,501
Income taxes	4,166,000	7,122,000
Net Income	$ 7,032,853	$ 10,550,501

Assets

As of Apr. 30	1989	1988
Cash & cash equiv.	$ 923,112	$ 175,677
Short-term invest.	6,031,051	15,060,895
Accts. receiv., net	2,426,598	2,095,498
*Inventories	19,129,480	18,741,246
Prepaid expenses	575,370	553,980
Recov. inc. taxes	1,973,856	2,073,178
Current Assets	$ 31,059,467	$ 38,700,474
#Fixed assets	126,192,380	93,597,055
Other assets	4,295,288	4,638,113
Total Assets	$ 161,547,135	$ 136,935,642

Liabilities

	1989	1988
Note payable	$ 7,750,000	$ 5,000,000
Long-term debt, curr.	891,270	548,152
Accts. payable	17,221,605	16,112,572
Accrued payroll	742,617	363,104
Other accruals	2,449,415	1,942,695
Curr. Liabilities	$ 29,054,907	$ 23,966,523
Long-term debt	52,367,761	42,898,585
Deferred inc. taxes	8,558,000	7,285,000
Deferred income	450,660	377,580
+Common stock	32,387,398	30,712,398
Retained earnings	43,753,965	36,721,112
Treasury stock	(5,025,556)	(5,025,556)
Total Liabilities & Shareholders' Equity	$ 161,547,135	$ 136,935,642

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	2.67	5.25
%Net Income to Sales	1.68	3.14
%Net Income to Equity	9.89	16.91
Sales to Inventories	21.92	17.95
Debt to Equity	0.86	0.78
Working Capital	$ 2,004,560	$ 14,733,951
Current Ratio	1.07	1.61
Shareholders' Equity	$ 71,115,807	$ 62,407,954

The Cato Corporation

8100 Denmark Road
Charlotte, North Carolina 28217
(704) 554-8510
FAX: (704) 551-7200

Mailing address:
P.O. Box 34216
Charlotte, North Carolina 28234

The Cato Corporation

Officers: Wayland H. Cato, Jr., chairman & president; Edgar T. Cato, vice chairman; Anthony D. Derck, pres.-chief merchandising officer; James W. Emry, sr. v.p.-merchandising; Thomas H. Hicks, exec. v.p.-finance & administration; David Kempert, exec. v.p.-store operations; John P. Derham Cato, sr. v.p.-apparel services; Clarice Cato Goodyear, sr. v.p.-administration & human resources; Ashley A. Johnson, sr. v.p.-store design & construction; Patrick J. McIntyre, sr. v.p. & chief information officer; Robert M. Sandler, sr. v.p. & corp. controller; Howard A. Severson, sr. v.p.-real estate; Richard C. Wilson, sr. v.p.-distribution & traffic; J. Gregory Fagan, asst. v.p.-general counsel & corp. secretary; Hubert H. Thomason, secretary.

Directors: Wayland H. Cato, Jr., chairman; Edgar T. Cato, Clarice C. Goodyear, John P. Derham Cato, Geroge S. Currin, F. Kenneth Iverson, James V. Johnson, Larrimore Wright, Thomas H. Hicks, James H. Shaw.

Business Activities: Operates 571 women's specialty stores featuring popular-priced women's apparel for the fashion conscious junior, missy and large size customer, in non-metropolitan markets in 25 states, primarily in the South and Southwest. Stores operate under the names "Cato Fashions," "Cato Plus" and "$6 & $8 Fashions."

Transfer Agent(s):

First Union National Bank
Securities Transfer Department, CMG-5
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CACOA (NASDAQ)

Number of Stores: (at fiscal year end)

1989	571
1988	588
1987	515
1986	471
1985	427

Sales & Earnings

	Revenues +	Net Income †
1989	$ 256,505,000	$ (5,337,000)
1988	233,285,000	(4,852,000)
1987	203,968,000	$ 2,174,000
1986	183,302,000	8,047,000
1985	156,876,000	6,827,000

	No. of Com. Shares #	Earn. per Share † ‡
1989	14,694,000	$ —
1988	14,652,000	—
1987	14,644,000	0.15
1986	14,253,000	0.57
1985	14,380,000	0.48

(Loss)
+ Of continuing operations only.
† Including extraordinary loss of $473,000 ($0.03 per share) in 1987.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.08	—	—
1988	0.08	—	—
1987	0.06	—	—
1986	—	—	30-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 30,305,000	$ 2.06
1988	36,777,000	2.51
1987	42,793,000	4.72
1986	35,231,000	2.47
1985	29,322,000	2.04

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	2/3/90	1/28/89
Net sales	$ 246,191	$ 223,229
Other income	10,314	10,056
Total income	$ 256,505	$ 233,285
Cost of sales	172,109	155,286
Expenses	84,789	74,271
Depreciation	4,475	3,662
Interest expense	3,601	3,009
Restruc. expense	1,951	4,307
Loss bef. taxes	$ (10,420)	$ (7,250)
Tax credit	(5,083)	(3,216)
Loss - cont. oper	$ (5,337)	$ (4,034)
Loss - discont. oper.	—	(818)
Net Loss	$ (5,337)	$ (4,852)

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 5,090	$ 4,089
Accts. receiv., net	23,175	26,611
Refund inc. taxes	4,157	3,465
*Inventories	24,945	29,280
Prepaid expenses	2,851	2,545
Current Assets	$ 60,218	$ 65,990
#Fixed assets	33,861	35,435
Other assets	2,908	2,311
Total Assets	$ 96,987	$ 103,736

Liabilities
(000's)

Long-term debt, curr.	$ 5,100	$ 5,300
Accts. payable	16,170	21,061
Accruals	5,368	3,042
Curr. Liabilities	$ 26,638	$ 29,403
Long-term debt	33,981	30,200
Deferred inc. taxes	5,010	6,751
Other liabilities	1,053	605
+Class A common stock	503	503
+Class B common stock	186	186
Add. paid-in capital	10,574	10,555
Retained earnings	25,895	32,406
Treasury stock	(6,853)	(6,873)
Total Liabilities & Shareholders' Equity	$ 96,987	$ 103,736

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

Statistical Summary

Sales to Inventories	9.87	7.62
Debt to Equity	1.29	0.97
Working Capital	$ 33,580,000	$ 36,587,000
Current Ratio	2.26	2.24
Shareholders' Equity	$ 30,305,000	$ 36,777,000

Charming Shoppes, Inc.

450 Winks Lane
Bensalem, Pennsylvania 19020
(215) 245-9100

Officers: David V. Wachs, chairman of the board, chief exec. officer & president; Steven Sidewater, vice chairman; Philip Wachs, vice chairman & exec. v.p.-real estate; Ellis Wachs, sr. exec. v.p.; Richard DeRose, sr. exec. v.p.; Mordechay Kafry, exec. v.p.-merchandise procurement; Lionel Savadove, exec. v.p. & general counsel; Samuel Sidewater, exec. v.p.-merchandising; Ivan Szeftel, exec. v.p.-finance; Bernard Brodsky, v.p., treasurer & asst. secretary; Howard Edels, v.p.-management information systems; Gerald Brahms, v.p.-store operations; Anthony DiCerbo, v.p.-store operations; Ben Mento, v.p. & dir.-store operations; William Bilhardt, v.p.-human resources; Seymour Cohen, v.p.-store openings & expansions; Anthony DeSabato, v.p. & corp. dir.-human resources; John DeSanto, v.p.-design & construction; Manuel Ginsburg, v.p.-credit; Jonathon Graub, v.p.-real estate; David Hyman, v.p.-traffic logistics; Yvette A. Kaplan, v.p.-product development; Kathleen H. Lieberman, v.p. & associate general counsel; Robert Price, v.p.-facilities; Debra Ritter, v.p.-merchandise planning; Paul H. Robins, v.p.-purchasing; Eric M. Specter, v.p. & controller; Paul E. Toub, v.p.-advertising; Dominick J. Trapasso, v.p.-distribution; Michael Wachs, v.p.-real estate; Michael Wenger, v.p.-merchandising; Jeffrey Zelenko, v.p.-merchandising; Nicholas F. Ferrara, v.p.-merchandising; Michael G. Donabauer, v.p.-marketing; Terry Fogarty, v.p.-store operations; Charles Rosen, III, v.p.-merchandising; Joseph M. Arditi, v.p.-store operations.

Directors: David V. Wachs, chairman; Steven Sidewater, Philip Wachs, Ellis Wachs, Samuel Sidewater, Robert A. Fox, Mitchell G. Leibovitz, Myles H. Tanenbaum.

Business Activities: Operates a chain of women's specialty stores specializing in the retail sale of moderately priced junior, misses and women's size sportswear, dresses, coats, lingerie and accessories, primarily under the names "Fashion Bug" and "Fashion Bug Plus," in 36 states throughout the East, South, and Midwest.

Transfer Agent(s):

Mellon Bank (East) N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CHRS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	926
1988	840
1987	678
1986	550
1985	444

Sales & Earnings

	Net Sales #	Net Income
1989	$ 729,382,000	$ 38,151,000
1988	642,064,000	42,585,000
1987	525,157,000	40,469,000
1986	393,976,000	28,726,000
1985	299,262,000	20,226,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	50,478,087	$ 0.76
1988	50,348,917	0.85
1987	49,978,306	0.81
1986	48,753,382	0.59
1985	48,038,256	0.42

# Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.12	—	—
1987	0.10	—	3-for-2
1986	0.09	—	3-for-2
1985	0.08	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 228,941,000	$ 4.54
1988	193,949,000	3.85
1987	153,764,000	3.08
1986	115,487,000	2.37
1985	89,168,000	1.86

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

	1/28/89	1/30/88
Net sales	$ 725,197,000	$ 638,638,000
Other income	4,185,000	3,426,000
Total income	$ 729,382,000	$ 642,064,000
Cost of sales	508,219,000	432,798,000
Expenses	164,794,000	139,742,000
Income before taxes	$ 56,369,000	$ 69,524,000
Income taxes	18,218,000	26,939,000
Net Income	$ 38,151,000	$ 42,585,000

* Included in Costs and Expenses, Depreciation and Amortization: $17,892,000 in 1989 and $13,644,000 in 1988.

Assets

As of	1/28/89	1/30/88
Cash and cert. of deposit	$ 114,293,000	$ 33,433,000
*Inventories	108,000	97,836,000
Other curr. assets	25,660,000	19,613,000
Current Assets	$ 247,953,000	$ 150,882,000
#Fixed assets	139,691,000	122,425,000
Long-term invest.	9,220,000	8,279,000
Other assets	10,103,000	9,511,000
Total Assets	$ 406,967,000	$ 291,097,000

Liabilities

	1/28/89	1/30/88
Long-term debt, curr.	$ 332,000	$ 41,000
Accts. payable	86,002,000	48,595,000
Accruals	32,811,000	27,874,000
Income taxes	4,200,000	962,000
Current Liabilities	$ 123,345,000	$ 77,472,000
Long-term debt	32,168,000	2,050,000
Deferred taxes	22,513,000	17,626,000
+Common stock	4,996,000	5,029,000
Add. paid-in capital	22,185,000	20,643,000
Retained earnings	209,260,000	177,154,000
Deferred employee compensation	(6,889,000)	(8,266,000)
Subscrip. receivable	(611,000)	(611,000)
Total Liabilities & Shareholders' Equity	$ 406,967,000	$ 291,097,000

* At lower of cost or market; by the retail method (average).
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.77	10.89
%Net Income to Sales	5.26	6.67
%Net Income to Equity	16.66	21.96
Sales to Inventories	6.71	6.53
Debt to Equity	0.14	0.01
Working Capital	$ 124,608,000	$ 73,410,000
Current Ratio	2.01	1.95
Shareholders' Equity	$ 228,941,000	$ 193,949,000

The Cherokee Group

9545 Wentworth Street
Sunland, California 91040
(818) 951-1002
FAX: (818) 352-1851

NOTE: The Company went private via a leveraged buyout through Green Acquisition Company on May 10, 1989.

Officers: Robert Margolis, chairman & chief executive officer; Cary D. Cooper, exec. v.p. & chief financial officer; Mark Taxe, pres.-Shoe Division; Jay L. Kester, pres.-Apparel Division; Wil Freedman, pres.-retail stores division; Derek Federman, pres.-menswear div.; Maurice Newman, pres.-licensing division.

Directors: Robert Margolis, Jeffrey S. Deutschman, Everett M. Clayton, 111, Cary D. Cooper, Thomas Meluci.

Business Activities: Operates 11 retail stores and one outlet store in southern California under the name Cherokee. The Company has also franchised the operation of seven Cherokee stores in five eastern states. The vast majority of the apparel and footwear sold by the Cherokee stores is manufactured by the Company.

Divisions:

Apparel Division
Shoe Division
Licensing Division
Stores Division
Franchise Division
Code Bleu Division

Subsidiaries:

Cherokee Apparel Corporation
Cherokee Trading Corporation
Cherokee World Wide Corporation
Cherokee Franchising Corporation

Priority Finishing Corporation (81% owned)
Processes specialty textiles.

Chutes Corporation (80% owned)
Seattle, Washington
Imports and sells young men's, boys' and juniors' sportswear under the Code Bleu name.

Pallmark International
Imports and markets women's, children's and athletic shoes to major retailers.

Number of Stores:* (at fiscal year end)

1989	9
1988	12
1987	12
1986	9
1985	9

* Company-operated only.

Sales & Earnings

	Net Sales	Net Income †
5/9/89	$ 157,723,000	$ 2,230,000
5/28/88*	87,334,000	7,521,000
11/28/87	139,631,000	10,397,000
11/29/86	104,001,000	6,792,000
11/30/85	83,634,000	4,269,000

	No. of Com. Shares ‡	Earn. per Share † ‡
5/8/89	1,000	$ —
5/28/88*	N.A.	—
11/28/87	12/476/007	0.83
11/29/86	11,255,174	0.60
11/30/85	11,374,092	0.38

N.A. - Not Available.
* 6 months.
† Including extraordinary loss of $5,609,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	5/27/89 (6 months)	5/28/88
Apparel	$ 123,409,000	$ 60,353,000
Shoe	24,826,000	13,175,000
Menswear	15,043,000	11,616,000
Other	6,079,000	2,190,000
Total	$ 169,357,000	$ 87,334,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
5/27/89	—	—	—
5/28/88	—	—	—
11/28/87	—	—	—
11/29/86	—	—	2-for-1 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
5/27/89	$ 15,269,000	$ —
5/28/88	77,233,000	—
11/28/87	71,372,000	5.72
11/29/86	26,645,000	2.37
11/30/85	19,163,000	1.68

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account*
(000's)

Year ended	5/9/89 (6 months)	5/28/88
Net sales	$ 157,723	$ 87,334
Cost of sales	103,827	58,704
Expenses	35,609	21,635
Factoring commission & int. exp.	1,344	837
Interest income	(1,777)	(447)
Minority interest	203	25
Insurance claims settle.	(1,788)	(5,337)
Other expense (income)	5,692	(555)
Income bef. taxes	$ 14,613	$ 12,472
Income taxes	6,774	4,951
Net Income	$ 7,839	$ 7,521
Extraord. loss	(5,609)	—
Net Income & extraord. loss	$ 2,230	$ 7,521

* Included in Costs and Expenses, Depreciation and Amortization: $1,734,000 in 1989 and $877,000 in 1988.

Assets
(000's)

As of	5/27/89	11/28/87
Cash	$ 1,378	$ 20,664
Accts. receiv., net	35,320	28,303
*Inventories	26,365	25,273
Net invest.-direct fin. lease	—	326
Inc. tax receiv.	2,851	—
Prepaid expenses	2,135	1,937
Other curr. assets	707	—
Current Assets	$ 68,756	$ 76,503
#Fixed assets	14,229	12,020
Net invest.-direct fin. lease	—	420
Other assets	10,815	1,222
Other investments	—	277
Intangibles	120,330	1,975
Total Assets	$ 214,130	$ 92,417

Liabilities
(000's)

Bank loans	$ 4,083	$ 3,635
Long-term debt	1,319	467
Accts. payable & accruals	21,553	10,724
Income taxes	—	1,782
Deferred inc. taxes	—	1,006
Curr. Liabilities	$ 26,955	$ 17,614
Long-term debt	146,290	1,738
Deferred inc. taxes	21,005	1,524
Minority interest	231	169
Redeem. pref. stock	4,380	—
+Common stock	—	42,266
Add. paid-in capital	22,296	—
Retained earnings (deficit)	(7,027)	29,106
Total Liabilities & Shareholders' Equity	$ 214,130	$ 92,417

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value in 1989; previously no par.

Statistical Summary

%Income bef. Taxes to Sales	9.26	13.57
%Net Income to Sales	4.97	7.45
%Net Income to Equity	—	14.57
Sales to Inventories	—	5.52
Debt to Equity	—	0.08
Working Capital	$ 41,801,000	$ 58,889,000
Current Ratio	2.55	4.34
Shareholders' Equity	$ 15,269,000	$ 71,372,000

Child World, Inc.

(82.1%-owned by CNC Holding Corporation)

25 Littlefield Street
Avon, Massachusetts 02322
(508) 588-7300
FAX: (508) 588-2019

Officers: Dennis H. Barron, chairman of the board; Peter J. Hayes, president & chief executive officer; Richard J. Ryan, executive v.p. & chief financial officer; John R. Maxwell, exec. v.p.; Thomas T. S. Kaung, sr. v.p.; Leo X. Crowley, sr. v.p.; David B. Stewart, sr. v.p.; Herbert J. Hodus, vice president; David J. Nace, vice president; Tracy L. Burmeister, treasurer; John F. Downie, v.p. & clerk; Bruce W. Fosson, vice president; Joseph M. Unger, vice president; Charles J. Ibold, assistant clerk.

Directors: Dennis H. Barron, chairman of the board; Jeffrey A. Cole, Thomas V. Bonoma, Hugh G. Farrington, Thomas H. Lee, Peter J. Hayes.

Business Activities: Operates 174 toy supermarkets under the names "Child World" and "Children's Palace" in 31 states in the Northeast, Midwest and South. These stores offer a broad assortment of merchandise including toys, bicycles, learning aids, baby furniture, sporting goods and outdoor play equipment.

Transfer Agent(s):

AmeriTrust Company, N.A.
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CWLD (NASDAQ)

Number of Stores: (at fiscal year end)

1990	174	1987	134
1989	163	1986	119
1988	152		

NOTE: CNC Holding Corporation and its wholly-owned subsidiaries own approximately 82.1% of the outstanding stock of Child World, Inc. as of Jan. 28, 1989. Prior to Aug. 30, 1985, CNC owned all of the outstanding stock of the Company.

Sales & Earnings

	Net Sales	Net Income †
1990*	$ 830,269,000	$ 5,833,000
1989	807,067,000	12,571,000
1988	749,127,000	14,339,000
1987	628,834,000	10,949,000
1986	513,148,000	9,368,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	11,416,000	$ 0.51
1989	11,466,000	1.10
1988	11,501,000	1.00
1987	11,500,000	0.95
1986	10,286,000	0.91

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 213,001,000	$ 18.66
1989	207,517,000	18.10
1988	196,164,000	17.06
1987	181,808,000	15.81
1986	170,859,000	16.61

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 830,269	$ 807,067
Cost of sales	578,068	562,181
Expenses	215,275	194,263
Depreciation & amortization	15,445	14,193
Restruc. charges	—	7,550
Interest expense	9,830	6,325
Income bef. taxes	$ 11,651	$ 22,555
Income taxes	5,818	9,984
Net Income	$ 5,833	$ 12,571

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 21,258	$ 10,604
Accts. receiv., net	2,961	1,621
*Inventories	219,696	239,176
Prepaid expenses	7,683	6,057
Deferred inc. taxes	5,528	7,491
Current Assets	$ 257,126	$ 264,949
#Fixed assets	53,847	55,092
Leased prop. under cap. leases	19,640	22,674
Other assets	4,027	978
Intangibles	70,027	72,047
Total Assets	$ 404,667	$ 415,740

Liabilities
(000's)

Long-term debt., curr.	$ 400	$ 400
Cap. lease oblig., curr.	2,173	2,167
Accts. payable	135,255	136,541
Accruals	25,976	29,285
Income taxes	2,302	12,466
Curr. Liabilities	$ 166,106	$ 180,859
Long-term debt	4,300	4,700
Cap. lease oblig.	17,818	19,962
Deferred inc. taxes	3,442	2,702
+Common stock	1,150	1,150
Add. paid-in capital	158,812	158,798
Retained earnings	54,620	48,787
Treasury stock	(1,581)	(1,218)
Total Liabilities & Shareholders' Equity	$ 404,667	$ 408,249

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.40	2.79
%Net Income to Sales	0.70	1.56
%Net Income to Equity	2.74	6.06
Sales to Inventories	3.78	3.37
Debt to Equity	0.12	0.13
Working Capital	$ 91,020,000	$ 84,638,000
Current Ratio	1.55	1.49
Shareholders' Equity	$ 213,001,000	$ 207,517,000

The Circle K Corporation

1601 North 7th Street
Phoeniz, Arizona 85006
(602) 253-9600
FAX: (602) 229-8713

Mailing address:
P.O. Box 52084
Phoenix, Arizona 85072-2084

On May 15, 1990, the company filed for protection under Chapter 11 of the United States Bankruptcy Code.

Officers: Bart A. Brown, Jr., chairman of the board; Robert A. Dearth, Jr., president & chief operating officer; Ray Cox, sr. v.p.-corp. affairs; Larry J. Zine, sr. v.p.-finance & treasurer; William Remmers, sr. v.p.-international operations; Gehl Babinec, sr. v.p. & general counsel; Diane E. Klein, v.p.-accounting; Joel Sterrett, secretary; Janet E. Jackim, asst. secretary; Donald S. Smith, asst. secretary; Paul M. Rothstein, asst. treasurer.

Directors: Bart A. Brown, Jr., Dean Guerin, William A. Franke, John P. Harbin, Carl H. Lindner, Keith E. Lindner, Robert A. Dearth, Jr..

Business Activities: Operates a chain of convenience food stores engaged in the retail sale of general merchandise, fast foods, groceries, tobacco products, health and beauty aids, and self-service gasoline in 32 states, located primarily in the South and West. The Company also operates stores in Great Britain through a joint venture and is involved in joint ventures or license agreements with companies that operate approximately 1,298 stores in fourteen foreign countries.

Subsidiaries:

Shop & Go, Inc.
Mango, Florida
Operates 446 stores in Florida and Georgia.

Circle K UK, Inc. (50% owned)
Great Britain
Operates 104 convenience stores in Great Britain.

Transfer Agent(s):

Ameritrust Company, N.A.
Houston, Texas

Stock Exchange(s): New York

Ticker Symbol: CKP

Number of Stores:* (at fiscal year end)

1989	4,600
1988	4,685
1987	3,507
1986	3,372
1985	2,669

* U.S.A. only.

Sales and Earnings

	Net Sales ‡	Net Income
1990	$ 3,686,314,000	$ (772,869,000)
1989	3,441,384,000	15,414,000
1988	2,613,843,000	60,411,000
1987	2,289,444,000	49,430,000
1986	2,111,267,000	39,222,000

	No. of Com. Shares #	Earn. per Share #
1990	43,581,097	$ —
1989	45,652,572	0.21
1988	49,322,062	1.15
1987	49,184,843	0.93
1986	41,376,454	0.85

(Loss)
‡ Includes contracts operated stores.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.07	—	—
1989	0.28	—	—
1988	0.28	—	—
1987	0.28	—	2-for-1
1986	0.25	—	3-for-2

# Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ (501,567,000) †	$ —
1988	280,396,000 †	6.44
1988	283,521,000	6.56
1987	310,013,000	6.23
1986	200,102,000	4.66

† After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock splits.

Income Account
(000's)

Year ended April 30	1990	1989
Net sales	$ 3,686,314	$ 3,441,384
Other income	50,238	53,507
Total income	$ 3,736,552	$ 3,494,891
Cost of sales	2,796,559	2,580,398
Expenses	865,602	729,306
Reorg. & restruc. charge	639,310	—
Depreciation & amortization	127,652	93,033
Interest expense	126,799	95,912
Gain on sale of assets	—	(32,323)
Eq. loss on for. joint vent.	15,064	1,784
Inc. (loss) bef. taxes	$ (834,434)	$ 26,781
Income taxes (credit)	(61,565)	11,367
Net Income (Loss)	$ (772,869)	$ 15,414

Assets
(000's)

As of April 30	1990	1989
Cash & short-term invest.	$ 50,205	$ 38,488
Receivables, net	38,138	36,265
*Inventories	175,308	239,916
Prop. held for sale	15,000	35,000
Inc. taxes receiv.	16,663	52,323
Prepaid expenses	8,202	7,018
Current Assets	$ 303,516	$ 409,010
#Fixed assets	836,123	1,068,489
Long-term receiv.	44,033	64,237
Exc. costs over assets acq.	—	331,942
Favorable leases acq.	51,461	73,847
Other assets	39,157	97,415
Total Assets	$ 1,274,290	$ 2,044,940

Liabilities
(000's)

Due to banks	$ —	$ 91,000
Long-term debt. curr.	3,144	7,857
Accts. payable	112,111	134,944
Accrued payroll	12,002	15,580
Money orders outstanding	25,364	28,203
Accrued interest	965	17,990
Other curr. assets	60,029	54,871
Curr. Liabilities	$ 213,615	$ 350,445
Liab. subj. to compromise	1,206,395	—
Long-term debt	54,651	1,158,563
Def. inc. taxes	40,496	93,045
Deferred revenue	32,285	19,632
Other liabilities	130,915	45,359
Redeem. pref. stock	47,500	47,500
+Preferred stock	50,000	50,000
++Common stock	50,423	50,402
Add. paid-in capital	168,192	168,018
Common stock warrants	2,300	2,300
Retained earnings (deficit)	(643,854)	136,777
For. curr. trans. adjust.	—	1,527
Treasury stock	(78,628)	(78,628)
Total Liabilities & Shareholders' Equity	$ 1,274,290	$ 2,044,940

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $7.50 increasing rate cumulative covertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.78
%Net Income to Sales	—	0.45
%Net Income to Equity	—	4.67
Sales to Inventories	21.03	14.34
Debt to Equity	—	3.64
Working Capital	$ 89,901,000	$ 58,565,000
Current Ratio	1.42	1.17
Shareholders' Equity (Deficiency)	$ (451,567,000)	$ 330,396,000

Circuit City Stores, Inc.

9950 Maryland Drive
Richmond, Virginia 23233
(804) 527-4000
FAX: (804) 527-4188

Officers: Alan L. Wurtzel, chairman; Richard L. Sharp, president & chief exec. offficer; William D. Rivas, exec. v.p.; Raymond M. Albers, v.p. & chief financial officer; Walter Bruckart, exec. v.p.-merchandising; John A. Fitzsimmons, sr. v.p.-administration; Michael T. Chalifoux, sr. v.p & chief financial officer; William E. Zierden, sr. v.p.-human resources; Michael T. Chalifoux, v.p. & chief financial officer; Edward Kopf, v.p.-corp. planning; R. Bruce Lucas, v.p.-construction; Franklin Bell, v.p.-merchandising; Robert Timbrook, v.p.-distribution; Richard Birnbaum, v.p., & president-Central Division; James N. Gillum, v.p., & president-Southern Division; Kenneth Antos, v.p., & president-Western Division; Lawrence A. Wilson, treasurer; Gertrude M. Gibson, secretary; Frank Forlano, asst. v.p.-distribution; Sheldon Shapiro, asst. v.p.-merchandising; Thomas Hannah, asst. v.p. & gen. mgr.; Jerry L. Lawson, v.p. & gen. mgr.; Bernard Curlee, asst. v.p.-service; John W. Froman, asst. v.p. & gen. mgr.; Benjamin B. Cummings, Jr., v.p.-real estate; Kenneth S. Golden, asst. v.p.-merchandising; Gregory B. Jones, asst. v.p.-advertising; W. Alan McCollough, asst. v.p.-corp. operations; Naomi K. Shively, asst. v.p.-human resources.

Directors: Edward Villanueva, Alan L. Wurtzel, Hyman Meyers, Theodore Nierenberg, William D. Rivas*, Douglas D. Drysdale, Richard N. Cooper, Richard L. Sharp*, Stanley R. Klion, Frederick Deane, Jr., Norman Ricken.

* Member of the Executive Committee

Business Activities: Sells televisions, appliances, audio and video equipment, and other consumer electronics products at 149 retail locations in the eastern U.S., California, Nevada and Arizona under the names Circuit City, Circuit City Superstore and Impulse.

Transfer Agent(s):

Crestar Bank
Richmond, Virginia

Stock Exchange(s): New York

Ticker Symbol: CC

Number of Stores: (at fiscal year end)

1990	149
1989	122
1988	105
1987	87
1986	67

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 2,096,588,000	$ 78,100,000
1989	1,721,497,000	69,475,000
1988	1,350,425,000	50,400,000
1987	1,010,692,000	35,300,000
1986	705,490,000	22,021,000

	No. of Com. Shares +	Earn. per Share †
1990	45,860,000	$ 1.70
1989	45,234,000	1.52
1988	44,802,000	1.12
1987	44,380,000	0.79
1986	43,780,000	0.50

‡ Includes operating revenues.
+ Adjusted to reflect stock splits.
† Based on the weighted average number of common share and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.075	—	2-for-1
1989	0.055	—	—
1988	0.0375	—	—
1987	0.029	—	2-for-1
1986	0.024	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 359,286,000	$ 7.83
1989	273,617,000	6.05
1988	201,413,000	4.50
1987	149,271,000	3.37
1986	111,186,000 †	2.54

† After allowing for preferred stock at redemption value.
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Feb. 28	1990	1989
Net sales & oper. rev.	$ 2,096,588	$ 1,721,497
Cost of sales	1,477,502	1,219,570
Expenses	482,229	379,045
Interest expense	8,757	8,382
Income before taxes	$ 128,100	$ 114,500
Income taxes	50,000	45,025
Net Income	$ 78,100	$ 69,475

* Included in Costs and Expenses, Depreciation and Amortization: $21,890,000 in 1990 and $16,981,000 in 1989.

Assets
(000's)

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 91,712	$ 46,124
Accts. receiv., net	9,721	11,558
*Inventories	331,244	302,596
Other curr. assets	9,531	6,615
Current Assets	$ 442,208	$ 366,893
#Fixed assets	250,006	206,052
Deferred inc. taxes	6,460	3,023
Other assets	14,981	11,513
Total Assets	$ 713,655	$ 587,481

Liabilities
(000's)

	1990	1989
Long-term debt, curr.	$ 2,038	$ 2,002
Accts. payable	165,545	143,426
Accruals	31,837	26,957
Accrued inc. taxes	22,823	19,765
Curr. Liabilities	$ 222,243	$ 192,150
Long-term debt	93,882	94,674
Deferred revenues	38,178	26,961
Other liabilities	66	79
+Common stock	45,860	22,617
Add. paid-in capital	17,454	29,710
Retained earnings	295,972	221,290
Total Liabilities & Shareholders' Equity	$ 713,655	$ 587,481

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales & Rev.	6.11	6.65
%Net Income to Sales & Rev.	3.73	4.04
%Net Income to Equity	21.74	25.39
Debt to Equity	0.27	0.35
Working Capital	$ 219,965,000	$ 174,743,000
Current Ratio	1.99	1.91
Shareholders' Equity	$ 359,286,000	$ 273,617,000

Claire's Stores, Inc.

6095 N.W. 167th Street
Miami, Florida 33015
(305) 558-2577
FAX: (305) 556-6253

Officers: Rowland Schaefer, chairman of the board & president; Ira D. Kaplan, treasurer; Harold E. Berritt, secretary; Sylvia Schaefer, vice president; Charlotte G. Fischer, pres. & chief operating officer-Claire's Boutiques, Inc.; John Bradbury, sr. v.p.-real estate, Claire's Boutiques, Inc.; Fred L. Huetter, sr. v.p.-management information systems, Claire's Boutiques, Inc.; Leslie D. Dunavant, sr. v.p.-store operations, Claire's Boutique, Inc.; Alexander M. Winiecki, exec. v.p.-Decor Corp..

Directors: Rowland Schaefer, chairman; Harold E. Berritt, Fred D. Hirt, Bruce G. Miller, Sylvia Schaefer, Norman D. Cohen.

Business Activities: Operates 831 specialty retail stores selling popular priced women's fashion accessories in enclosed shopping malls in 47 states, under the names "Claire's Boutiques," "Dara Michelle" and "Topkapi."

Subsidiaries:

Claire's Boutiques, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191
(312) 860-5400

Dara Michelle, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191

Decor Corp.
1519 Alum Creek Drive South
Columbus, Ohio 43209

Topkapi
Operates 16 fashion accessories retail stores in the Northeast and Midwest.

Transfer Agent(s):

Southeast Bank, N.A.
Stock Transfer Group (MS 1157)
1 Southeast Financial Center
Miami, Florida 33131

Stock Exchange(s): New York

Ticker Symbol: CLE

Number of Stores: (at fiscal year end)

1990	831
1989	633
1988	555
1987	439
1986	326

Sales & Earnings

	Net Sales	Net Income
1990*	$ 190,246,000	$ 19,452,000
1989	127,263,000	7,097,000
1988	103,404,000	6,230,000
1987	87,205,000	5,323,000
1986	74,456,000	7,479,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	20,031,000	$ 0.97
1989	19,954,000	0.36
1988	19,916,000	0.31
1987	20,019,000	0.26
1986	20,779,000	0.36

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.10	—	—
1989	0.10	—	—
1988	0.10	—	5-for-4
1987	0.10	—	—
1986	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 54,605,000	$ 2.73
1989	33,614,000	1.68
1988	28,213,000	1.42
1987	23,618,000	1.18
1986	20,257,000	0.97

‡ Based on the weighted average number of common shares and common share equivalents outstanding ajdusted to reflect stock split.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 190,246,000	$ 127,263,000
Cost of sales	84,338,000	61,610,000
Expenses	64,165,000	46,526,000
Depreciation & amortization	8,880,000	5,987,000
Interest expense	1,226,000	1,460,000
Income bef. taxes	$ 31,637,000	$ 11,680,000
Income taxes	12,185,000	4,583,000
Net Income	$ 19,452,000	$ 7,097,000

Assets

As of	2/3/90	1/28/89
Cash	$ 2,405,000	$ 2,541,000
*Inventories	25,214,000	13,761,000
Deferred tax asset	900,000	2,007,000
Prepaid expenses	6,732,000	2,306,000
Current Assets	$ 35,251,000	$ 20,615,000
#Fixed assets	60,701,000	41,536,000
Other assets	6,695,000	1,203,000
Total Assets	$ 102,647,000	$ 63,354,000

Liabilities

	2/3/90	1/28/89
Accts. payable	$ 20,996,000	$ 9,024,000
Accruals	7,000,000	3,312,000
Dividends payable	536,000	540,000
Income taxes	6,527,000	1,902,000
Curr. Liabilities	$ 35,059,000	$ 14,778,000
Long-term debt	5,848,000	7,000,000
Deferred inc. taxes	7,135,000	7,962,000
+Common stock	1,015,000	1,015,000
Add. paid-in capital	9,224,000	7,772,000
Retained earnings	44,672,000	27,054,000
Treasury stock	(306,000)	(2,227,000)
Total Liabilities & Shareholders' Equity	$ 102,647,000	$ 63,354,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

	2/3/90	1/28/89
%Income bef. Taxes to Sales	16.63	9.18
%Net Income to Sales	10.22	5.58
%Net Income to Equity	35.62	21.11
Sales to Inventories	7.55	9.25
Debt to Equity	0.11	0.21
Working Capital	$ 192,000	$ 5,837,000
Current Ratio	1.01	1.39
Shareholders' Equity	$ 54,605,000	$ 33,614,000

The Clothestime, Inc.

5325 East Hunter Avenue
Anaheim, California 92807
(714) 779-5881
FAX: (714) 777-5887

Officers: Michael P. DeAngelo, chairman & chief executive officer; Raymond A. DeAngelo, vice chairman of the board; John Ortega, II, vice chairman of the board; Norman Abramson, president & chief operating officer; Jeffrey R. Dake, vice president-real estate & construction; John M. Shanklin, v.p. & chief financial officer; Eric J. Boden, v.p.-store operations; P. Bruce Cumming, v.p.-distribution services; Michael R. Leff, v.p. & general merchandise manager.

Directors: Michael P. DeAngelo, chairman; Raymond A. DeAngelo, John Ortega, II, August DeAngelo, Harvey A. Bookstein, Norman Abramson, George Foos.

Business Activities: The Company operates 332 women's apparel stores in 15 states, with most of the stores (181) located in California. The stores offer primarily in-season, moderately priced, junior sportswear, dresses and accessories. Most of these items are sold under recognizable brand names, at substantial discounts from better department and specialty store prices.

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardena Ave.
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTME (NASDAQ)

Number of Stores: (at fiscal year end)

1990	332	1987	263
1989	335	1986	190
1988	338		

Sales & Earnings

	Net Sales †	Net Income
1990	$ 187,616,000	$ 461,000
1989	171,510,000	(2,163,000)
1988	178,715,000	6,509,000
1987*	160,670,000	11,908,000
1986	126,929,000	10,005,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	14,336,000	$ 0.03
1989	13,974,000	—
1988	14,129,000	0.46
1987*	14,298,000	0.83
1986	14,206,000	0.70

* 53 weeks
† Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1 & 3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 41,505,000	$ 2.90
1989	40,170,000	2.87
1988	41,470,000	2.94
1987	34,726,000	2.43
1986	22,580,000	1.59

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	1/27/90	1/28/89
Net sales	$ 18[illegible],046,694	$ 171,431,119
Other income	568,890	78,675
Total income	$ 187,615,584	$ 171,509,794
Cost of sales	103,720,428	100,528,861
Expenses	82,515,212	75,131,493
Interest expense	231,125	687,904
Inc. (loss) bef. taxes	$ 1,148,820	$ (4,838,464)
Income taxes (credit)	688,000	(2,012,000)
Cum. effect of acct. change	—	(663,260)
Net Income (Loss)	$ 460,820	$ (2,163,204)

* Included in Costs and Expenses, Depreciation and Amortization: $4,051,614 in 1990 and $4,138,070 in 1989.

Assets

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 12,760,512	$ 6,595,065
*Inventories	20,872,747	18,133,996
Refund. inc. taxes	1,546,723	2,833,192
Def. inc. taxes	167,000	562,000
Prepaid expenses	2,297,631	2,516,796
Current Assets	$ 37,644,613	$ 30,641,049
#Fixed assets	29,332,278	33,071,974
Other assets	213,448	228,564
Total Assets	$ 67,191,339	$ 63,941,587

Liabilities

Accts. payable	$ 13,740,396	$ 9,732,878
Accrued sales taxes	1,838,150	642,091
Accrued payroll	1,708,227	1,461,839
Other accruals	2,574,102	2,149,690
Curr. Liabilities	$ 19,860,875	$ 13,986,498
Long-term debt	—	3,500,000
Deferred inc. taxes	5,825,000	6,284,999
+Common stock	140,751	139,897
Add. paid-in capital	7,186,536	6,312,836
Retained earnings	34,178,177	33,717,357
Total Liabilities & Shareholders' Equity	$ 67,191,339	$ 63,941,587

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.61	—
%Net Income to Sales	0.25	—
%Net Income to Equity	1.11	—
Sales to Inventories	8.96	9.45
Debt to Equity	—	0.09
Working Capital	$ 17,783,738	$ 16,654,551
Current Ratio	1.90	2.19
Shareholders' Equity	$ 41,505,464	$ 40,170,090

CML Group, Inc.

524 Main Street
Acton, Massachusetts 01720
(508) 264-4155

Officers: Charles M. Leighton, chairman & chief executive officer; G. Robert Tod, president & chief operating officer; William F. Harris, v.p.-finance; Patricia K. Peters, v.p.-investor relations; Robert J. Samuelson, v.p.-corp. development; George W. Duncklee, treasurer & asst. secretary; Glenn E. Davis, controller; Paul P. Brountas, secretary.

Directors: Charles M. Leighton, chairman; Howard H. Callaway, Russ Jones, Thomas H. Lenagh, Homer L. Luther, Jr., G. Robert Tod.

Business Activities: Operates 151 retail stores under the names Britches, Carroll Reed, The Nature Company, Gokeys, and Mason & Sullivan in 23 states and the District of Columbia, with a heavy concentration of stores in New England, the Mid Atlantic states, and California. These stores offer high-quality classic apparel, accessories, and gift items. The Company also operates a mail order catalog business and manufactures recreational consumer products.

Subsidiaries:

Britches of Georgetowne
544 Herndon Parkway
Herndon, Virginia 22070
(703) 471-7900

Operates 65 retail clothing stores under the names Britches of Georgetown, Britches Great Outdoors, Britches for Women, and Britches Great Outdoors for Women. These stores are located in the greater Washington, D.C. area as well as in Atlanta, Georgia, and New Jersey.

Carroll Reed
510 Congress Street
Portland
ME 04104
(207) 775-7421

Operates 54 retail women's clothing stores in 20 states.

Gokeys
21 West Fifth Street
St. Paul, Minnesota 55101
(612) 224-4300

Operates seven retail stores that specialize in men's and women's casual wear, in Minnesota, Oklahoma, Texas and Louisiana.

Mason & Sullivan
586 Higgins Crowell Road
West Yarmouth, Massachusetts 02673
(508) 775-4643

Operates a retail store in Massachusetts that specializes in do-it-yourself clock kits.

The Nature Company
750 Hearst Avenue
Berkeley, California 94710
(415) 644-1337

Operates 24 retail stores that offer nature-related gift items. The majority of the stores are located in California.

NordicTrack
141 Jonathan Boulevard
Chaska, Minnesota 55318
(612) 448-6987

Manufactures and markets a cross-country ski exerciser.

SyberVision Systems
7133 Koll Center
Pleasanton, California 94566
(415) 846-2244

Develops and markets self-improvement audio and video programs.

Boston Whaler
1149 Hingham Street
Rockland, Massachusetts 02370
(617) 871-1400

Designs, manufactures and markets a complete line of powerboats.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: CML

Number of Stores:

1988	151	1987	118

Sales & Earnings

	Net Sales	Net Income
1988	$ 348,940,000	$ 11,551,000
1987	282,972,000	9,035,000
1986	232,282,000	6,838,000
1985	201,315,000	5,679,000
1984	187,512,000	4,121,000

CML Group, Inc.

	No. of Com. Shares	Earn. per Share +
1988	6,283,733	$ 1.77
1987	6,558,239	1.35
1986	6,484,204	1.04
1985	6,349,570	0.88
1984	N.A.	0.68

N.A. - Not Available.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Specialty retailing	$ 282,773,000	$ 227,794,000
Recreational products	66,167,000	55,178,000
Total	$ 348,940,000	$ 282,972,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 67,140,000	$ 10.68
1987	60,084,000	9.16
1986	50,298,000	7.76
1985	47,566,000	7.49
1984	41,913,000	—

Income Account *

Year Ended July 31	1988	1987
Net sales	$ 348,940,000	$ 282,972,000
Cost of sales	169,094,000	145,585,000
Expenses	152,856,000	115,277,000
Interest expense	8,365,000	4,647,000
Income before taxes	$ 18,625,000	$ 17,463,000
Income taxes	7,074,000	8,428,000
Net Income	$ 11,551,000	$ 9,035,000

* Included in Costs and Expenses, Depreciation: $7,985,000 in 1988 and $6,043,000 in 1987.

Assets

As of July 31	1988	1987
Cash	$ 5,690,000	$ 5,568,000
Accts. receiv., net	13,465,000	10,731,000
Refundable inc. taxes	5,937,000	—
*Inventories	56,710,000	53,423,000
Other curr. assets	9,474,000	8,701,000
Current Assets	$ 91,276,000	$ 78,423,000
#Fixed assets	73,655,000	56,155,000
Goodwill	35,629,000	26,429,000
Notes receivable	10,233,000	8,030,000
Other assets	15,680,000	11,889,000
Total Assets	$ 226,473,000	$ 180,926,000

Liabilities

Notes payable	$ 1,600,000	$ 6,000,000
Long-term debt, curr.	1,011,000	380,000
Accts. payable	20,914,000	24,584,000
Accruals	15,565,000	11,620,000
Accrued inc. taxes	—	1,566,000
Deferred income taxes	—	517,000
Current Liabilities	$ 39,090,000	$ 44,667,000
Long-term debt	75,057,000	33,557,000
Subord. debentures	38,500,000	38,500,000
Deferred income taxes	3,858,000	3,321,000
Other deferred items	2,828,000	797,000
+Common stock	668,000	666,000
Add. paid-in capital	27,230,000	27,100,000
Retained earnings	45,077,000	33,526,000
Treasury stock	(5,835,000)	(1,208,000)
Total Liabilities & Shareholders' Equity	$ 226,473,000	$ 180,926,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.34	6.17
% Net Income to Sales	3.31	3.19
% Net Income to Equity	17.20	15.04
Sales to Inventories	6.15	5.30
Debt to Equity	1.16	0.66
Working Capital	$ 52,186,000	$ 33,756,000
Current Ratio	2.34	1.76
Shareholders Equity	$ 67,140,000	$ 60,084,000

Coats Viyella Plc

Bank House
Charlotte Street
Manchester M1 4ET, England
061-236-3272
FAX: 061-236 5837

Officers: David Alliance, deputy chairman & chief operating officer; James McAdam, deputy chairman & chief operating officer; Jeffrey L. Hewitt, group strategy director; Nicholas C.D. Kuenssberg, precision engineering, menswear & fabrics; Russell Walls, group finance director; Alistair H. Macdiarmid, apparel & yarns; J. David F. Milier, group personnel director; Martin Flower, thread; Peter M. White, homewares; Samuel Dow, secretary.

Directors: David Alliance, deputy chairman; James McAdam, deputy chairman; Martin Flower, Harry A.S. Djanogly, Jeffrey L. Hewitt, Nicholas C.D. Kuenssberg, Alistair H. Macdiarmid, J. David F. Miller, William C. Thomson, Victor Blank, Peter M. White, Russell Walls.

Business Activities: The Company's retail group operates 400 retail clothing outlets in the U.K., Europe, and North America under the names Jaeger, Country Casuals, and Viyella. The Company is also engaged in the manufacture, processing and distribution of knitwear and garments, household textiles, furnishings and carpets, and woven and knitted fabrics; and the production and sale of sewing thread, handknittings, fashionwear and precision engineering products.

Subsidiaries (England):

The British Van Heusen Company Limited
Shirts and leisurewear.

Thomas Burnley & Sons Limited
Yarns and fabrics.

D. Byford & Company Limited
Knitwear and hosiery.

Carrington Viyella Garments Limited
Shirts and leisurewear.

Carrington Viyella Exports Limited

J. Compton, Sons & Webb Limited
Uniform clothing.

CV Home Furnishings Limited
Home furnishings.

CV Woven Fabrics Limited
Yarns and fabrics.

CV Apparel Limited
Garments.

Dynacast Limited
Precision engineering.

Albert Hartley Limited
Household textiles.

Heydemann Shaw Limited

William Hollins & Company Limited
Fabrics/fashion wear.

Jaeger Holdings Limited
Operates retail clothing stores in the U.K. and North America.

Mansfield Knitwear Limited
Knitwear.

Patons & Baldwins Limited
Handknittings.

Priest (Lindley) Limited
Yarns.

Vantona Limited
Household textiles.

VV Household Textiles Limited
Household textiles.

West Riding Worsted and Woollen Mills Limited
Yarns and fabrics.

Subsidiaries (Scotland)

Coats Paton PLC
Holding company.

J. & P. Coats, Limited

J. & P. Coats (U.K.) Limited
Leisure and craft products; home sewing products; industrial sewing products.

Pasolds Limited
Leisurewear.

Subsidiaries (Northern Ireland):

CV Carpets Limited
Carpets.

Ewart Liddell Limited
Household textiles.

Subsidiaries (U.S.A.):

Coats & Clark, Inc.
Leisure and craft products; home sewing products, industrial sewing products; precision engineering; handknittings.

Dynacast Inc.

Subsidiaries (Canada):

J. & P Coats (Canada) Inc. (Including Dynacast Division)
Leisure and craft products; home sewing products; industrial sewing products; handknittings.

Consoltex Canada Inc. (81%-owned)
Montreal, Quebec, Canada
Fabric and garments.

Patons & Baldwins Canada Inc.
Handknittings.

Registrar:

Regis Registrars Limited
390/398 High Road
Ilford Essex 1G1 1NQ, England

Stock Exchange(s): London

Number of Stores:*

1989	400	1986	400
1988	400		

*Number approximate.

Sales & Earnings

	Net Sales	Net Income †
1989	£1,903,700,000	£ 91,100,000
1988	1,854,800,000	92,200,000
1987	1,794,800,000	164,600,000
1986	1,750,000,000	132,900,000
1985	1,695,900,000	102,700,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	525,500,000	15.1p
1988	525,200,000	16.1
1987	524,400,000	29.0
1986	522,600,000	23.6
1985	519,200,000	18.0

£ - pound sterling.
† Excluding extraordinary items and minority interests.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Thread & handknitting	£ 703,500	£ 613,800
Garment mfg. & retailing	432,000	455,800
Homewares	300,500	330,100
Yarns & fabrics	314,600	319,100
Precision engineering	153,100	136,000
Total	£ 1,903,700	£ 1,854,800

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	9.00p	—	—
1988	9.00	—	2-for-1
1987	8.70	—	—
1986	7.25	—	—
1985	6.00	—	—

+ Adjusted oto reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1989	£ 737,000,000	140.2p
1988	772,400,000	147.1

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	£ 1,903,700	£ 1,854,800
Cost of sales	1,319,900	1,288,900
Distribution costs	322,600	308,300
Adm. expenses	129,600	126,000
Other oper. inc.	(23,700)	(12,000)
Share of profit of rel. cos.	(3,100)	(3,500)
Interest expense	39,500	28,700
Interest income	(18,500)	(16,800)
Income before taxes	£ 137,400	£ 135,200
Income taxes	46,300	43,000
Minority interest	11,300	7,300
Net Income	£ 79,800	£ 84,900
Extraord. items	600	(35,200)
Net Income & extraord. items	£ 80,400	£ 49,700

* Included in Costs and Expenses, Depreciation: £ 49,200,000 in 1989 and £ 46,300,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	£ 197,100	£ 109,300
Investments	5,500	23,400
Accts. receiv., net	356,900	336,300
*Stocks	491,300	447,300
Current Assets	£ 1,050,800	£ 916,300
Investments	88,100	25,300
#Fixed assets	520,800	481,400
Total Assets	£ 1,659,700	£ 1,423,000

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	£ 56,200	£ 47,800
Accts. payable	175,900	163,800
Loans & loan stock	29,000	19,300
Amts. owed to rel. cos.	300	12,700
Advance payments	31,800	35,300
Bills of exch.	23,700	33,700
Promissory notes	5,800	—
Income taxes	74,400	73,800
Other payables	23,400	21,200
Accruals & def. inc.	59,200	45,200
Proposed dividend	47,300	47,300
Fin. lease oblig.	5,400	5,900
Pensions	5,200	2,300
Curr. Liabilities	£ 537,600	£ 511,300
Loans & loan stock	198,200	96,800
Promissory notes	8,700	—
Deferred taxes	—	2,200
Other payables	4,100	4,700
Fin. lease oblig.	36,000	31,500
Pension fund prepayment	(141,500)	(141,800)
Other liabilities	115,600	81,200
Red. pref. shares in subsid.	108,000	10,000
Minority interests	41,400	40,100
+Preferred stock	14,600	14,600
++Common stock	105,100	105,100
Add. paid-in capital	1,400	1,100
Other reserves	122,500	162,500
Profit & loss acct.	508,000	503,700
Total Liabilities & Shareholders' Equity	£ 1,659,700	£ 1,423,000

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 4.9% cumulative.
++ 20p par value.

Statistical Summary

%Income bef. Taxes to Sales	7.22	7.29
%Net Income to Sales	4.19	4.58
%Net Income to Equity	10.62	10.79
Sales to Inventories	3.87	4.15
Debt to Equity	0.13	0.11
Working Capital	£ 513,200,000	£ 405,000,000
Current Ratio	1.95	1.79
Shareholders' Equity	£ 751,600,000	£ 787,000,000

The Computer Factory Inc.

399 Executive Boulevard
Elmsford, New York 10523
(914) 347-5000
FAX: (914) 347-6891

Officers: Jay Gottlieb, president & chief executive officer; Philip Duva, v.p.-finance & chief financial officer; Russell Madris, v.p.-sales & marketing; Rocco Scappatura, v.p.-distribution; Rochelle Cochin, secretary-treasurer.

Directors: Jay Gottlieb, Russell Madris, Rochelle Cochin, Jay M. Haft, Ira Riklis, Scott Korman.

Business Activities: The company is primarily engaged in the retail sales, service and rental of microprocessor based personal computer systems and related software through company operated centers. The company has stores in California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Texas, Virginia, Washington, Washington D.C. and Wisconsin.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: CFA

Number of Stores:

1989	66	1986	36
1988	59	1985	20
1987	45		

Sales & Earnings

	Net Sales	Net Income
1989	$ 369,002,000	$ 3,131,000
1988	282,625,000	10,515,000
1987	186,971,000	6,862,000
1986	104,347,000	2,474,000
1985	56,759,000	1,147,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	8,913,000	$ 0.35
1988	8,921,000	1.18
1987	7,965,000	0.86
1986	5,870,000	0.42
1985	4,784,000	0.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	10%	—
1987	—	—	3-for-2
1986	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 87,566,000	$ 9.82
1988	86,945,000	9.75
1987	76,430,000	9.60
1986	26,013,000	4.43
1985	9,820,000	2.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

The Computer Factory Inc.

Income Account *
(000's)

Year ended Sept. 30		1989		1988
Net sales	$	369,002	$	282,625
Cost of sales		301,929		220,018
Expenses		60,474		46,179
Interest expense		1,770		58
Interest income		(313)		(540)
Income before taxes	$	5,142	$	16,910
Income taxes		2,011		6,395
Net Income	$	3,131	$	10,515

* Included in Costs and Expenses, Depreciation and Amortization: $3,526,000 in 1989 and $2,370,000 in 1988.

Assets
(000's)

As of Sept. 30		1989		1988
Cash	$	1,882	$	1,768
Short-term invest.		2,475		1,987
Accts. receiv., net		47,433		35,857
*Inventories		116,569		80,262
Prepaid expenses		5,640		2,591
Current Assets	$	173,999	$	122,465
#Fixed assets		8,075		6,128
Other assets		4,379		3,267
Total Assets	$	186,453	$	131,860

Liabilities
(000's)

Notes payable	$	18,000	$	—
Accts. payable		57,351		31,953
Sales tax payable		1,897		1,607
Due to customers		1,614		1,910
Deferred income		3,052		1,781
Accrued comp. & profit-shar.		857		836
Other accruals		1,116		268
Income taxes		—		41
Curr. Liabilities	$	83,887	$	38,396
Long-term debt		15,000		6,500
Deferred inc. taxes		—		19
+Common stock		90		89
Add. paid-in capital		77,078		76,898
Retained earnings		13,395		10,264
Treasury stock		(2,997)		(306)
Total Liabilities & Shareholders' Equity	$	186,453	$	131,860

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Income bef. Taxes to Sales		1.39		5.98
%Net Income to Sales		0.85		3.72
%Net Income to Equity		3.58		12.09
Sales to Inventories		3.17		3.52
Debt to Equity		0.38		0.07
Working Capital	$	90,112,000	$	84,069,000
Current Ratio		2.07		3.19
Shareholders' Equity	$	87,566,000	$	86,945,000

Consolidated Stores Corporation

300 Phillipi Road
P.O. Box 747
Columbus, Ohio 43228
(614) 278-6800
FAX: (614) 278-6676

Officers: William G. Kelley, chairman & chief exec. officer; Charles H. Shenk, president; William B. Snow, exec. v.p., chief financial officer & treasurer; Patricia L. King, v.p. & controller; Albert J. Bell, v.p., secretary & general counsel; Glenn Sheridan Davis, assistant treasurer.

Directors: William G. Kelley, Sol A. Shenk, Rodney L. Goldstein, William J. Hunckler, III, Charles H. Shenk, Harold Frank, Richard L. Shenk, William B. Snow, Jay Kramer.

Business Activities: Operates 336 "close-out" retail stores under the names "Odd Lots" and "Big Lots" in 13 midwestern and southeastern states.

Divisions:

Retail Division
Wholesale Division

Subsidiaries:

Consolidated Stores International Corporation
Consolidated International Export Corporation (Barbados)
Industrial Products of New England, Inc.
CSIC Venture, Inc.
Barn Acquisitions Corporation
Fashion Barn, Inc.
Tool and Supply of New England, Inc.
Midwestern Home Products, Inc.

Transfer Agent(s):

National City Bank
1900 East Ninth Street
Cleveland, Ohio 44114

Manufacturers Hanover Trust Company
Grand Central Station
P.O. Box 3732
New York, New York 10163

Stock Exchange(s): New York

Ticker Symbol: CNS

Number of Stores: (at fiscal year end)

1990 336
1989 308
1988 295
1987 219
1986 115

Sales & Earnings

		Net Sales +		Net Income
2/3/90*	$	608,681,000	$	(6,954,000)
1/28/89		626,557,000		22,628,000
1/30/88		590,704,000		12,995,000
1/31/87		397,221,000		19,459,000
2/1/86		181,101,000		11,957,000

	No. of Com. Shares ‡		Earn. per Share ‡
2/3/90*	45,456,420	$	—
1/28/89	45,237,532		0.50
1/30/88	45,096,577		0.29
1/31/87	43,412,000		0.45
2/1/86	38,150,904		0.32

* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighed average numer of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

		1989		1988
Retail	$	593,519,000	$	601,008,000
Corporate & other		15,162,000		25,549,000
Total	$	608,681,000	$	626,557,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
2/3/90	—	—	—
1/28/89	—	—	—
1/30/88	—	—	—
1/31/87	—	—	2-for-1
2/1/87	—	—	2-for-1

Common Stock Equity

		Total Equity		Equity Per Share ‡
2/3/90	$	144,776,000	$	3.18
1/28/89		150,998,000		3.34
1/30/88		127,994,000		2.84
1/31/87		114,295,000		2.63
2/1/86		47,628,000		1.25

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended		2/3/90		1/28/89
Net sales	$	608,681	$	626,557
Cost of sales		363,782		373,552
Expenses		233,442		211,407
Interest expense		10,034		7,619
Other income		(1,885)		(2,585)
Joint venture		1,131		(498)
Unusual items		16,692		—
Inc. (loss) bef. taxes	$	(14,515)	$	37,062
Income taxes (credit)		(7,561)		14,434
Net Income (Loss)	$	(6,954)	$	22,628

* Included in Costs and Expenses, Depreciation and Amortization: $14,770,000 in 1990 and $12,791,000 in 1989.

Assets
(000's)

As of		2/3/90		1/28/89
Cash & cash equiv.	$	2,848	$	16,764
Restric. cash equiv.		4,698		—
Accts. receiv., net		2,468		2,339
Refund. inc. taxes		8,122		—
*Inventories		159,172		140,500
Invest. in joint ventures		—		14,748
Prepaid expenses		7,352		6,041
Deferred income taxes		5,293		3,564
Current Assets	$	189,953	$	183,956
#Fixed assets		115,549		99,306
Other assets		2,729		2,894
Total Assets	$	308,231	$	286,156

Liabilities
(000's)

Long-term debt, curr.	$	1,655	$	1,424
Accts. payable		44,168		46,991
Accruals		17,588		14,063
Income taxes		—		12,721
Curr. Liabilities	$	63,411	$	75,199
Long-term debt		91,087		53,292
Deferred inc. taxes		8,957		6,667
+Common stock		444		427
+Non-voting common stock		11		27
Add. paid-in capital		83,622		82,891
Retained earnings		60,699		67,653
Total Liabilities & Shareholders' Equity	$	308,231	$	286,156

* At lower of cost (FIFO) or market. Retail inventories are based on the retail method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.92
%Net Income to Sales	—	3.61
%Net Income to Equity	—	14.99
Sales to Inventories	3.82	4.46
Debt to Equity	0.64	0.36
Working Capital	$ 126,542,000	$ 108,757,000
Current Ratio	3.00	2.45
Shareholders' Equity	$ 144,776,000	$ 150,998,000

Conston Corporation

(63.7%-owned by Cascade International, Inc.)

3250 South 76th Street
Philadelphia, Pennsylvania 19153
(215) 492-9700
FAX: (215) 492-5559

NOTE: The Company is operating under Chapter XT of the Federal Bankuptcy Court.

Officers: Charles Conston, chairman of the board, president & chief executive officer; John J. Cebular, sr. v.p.-finance, treasurer & secretary; Cynthia Conston Savett, sr. v.p.-merchandising; Stuart F. Conston, sr. v.p.-real estate; Shirley Conston, v.p.-public relations and advertising; John Ciabattoni, Jr., v.p.-controller and asst. secretary; Arthur McBeth, v.p.-management information systems; Arthur Balshem, v.p.-distribution; Robert Smith, v.p.-construction; Robert Giordano, v.p. & import director; Harold Ashworth, sr. v.p.-store operations; Howard Watson, v.p.-store operations.

Directors: Charles Conston, chairman; Shirley Conston, Cynthia Conston Savett, Stuart F. Conston, John J. Cebular, Philip S. Seltzer, Edward B. Shils.

Business Activities: Operates 273 "16 Plus" stores, which feature moderately priced fashionable sportswear, dresses, suits and accessories for the large-size woman. These stores are located in 28 states and the District of Columbia. Also operates 53 "Charles" and "Famous Maid" women's retail clothing stores, which appeal to the junior-size, moderate-income market and are located in 14 states and the District of Columbia. In addition, the Company operates 9 "Kristy's Kids" clothing stores for girls and boys aged four to twelve. The Company's stores are located almost exclusively in the East, Midwest, and South.

Divisions:

16 Plus
Charles
Famous Maid
Kristy's Kids

Transfer Agent(s):

Mellon Bank (East) N.A.
Commerce Court, Third Floor
Four Station Square
Pittsburgh, Pennsylvania 15219-1173

Stock Exchange(s): American

Ticker Symbol: KCS

Number of Stores:

1990	335	1987	313
1989	350	1986	272
1988	349		

Sales & Earnings

	Revenues +	Net Income
1989	$ 169,209,000	$ (10,481,000)
1988	192,650,000	(4,658,000)
1987	186,798,000	1,588,000
1986	171,565,000	6,597,000
1985	149,213,000	5,832,000

	No. of Com. Shares	Earn. per Share ‡
1989	7,600,000	$ —
1988	7,600,000	—
1987	7,600,000	0.21
1986	7,600,000	0.92
1985	6,600,000	0.88

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 37,547,000	$ 4.94
1988	48,028,000	6.32
1987	52,686,000	6.93
1986	51,098,000	6.72
1985	32,354,000	4.90

Income Account
(000's)

Year ended	3/3/90	2/25/89
Net sales	$ 169,209	$ 192,405
Other income	1,077	245
Total income	$ 170,286	$ 192,650
Cost of sales	128,933	141,956
Expenses	47,043	50,479
Depreciation & amortization	6,893	6,900
Interest expense	1,892	1,375
Loss on sale of fixed asset	106	98
Loss bef. taxes	$ (14,581)	$ (8,158)
Tax credit	(4,100)	(3,500)
Net Loss	$ (10,481)	$ (4,658)

Assets
(000's)

As of	3/3/90	2/25/89
Cash & cash equiv.	$ 2,426	$ 4,825
Marketable securities	40	375
Loans receivable	539	1,301
*Inventories	16,953	16,911
Refund. inc. taxes	5,585	3,340
Prepaid expenses	960	2,538
Current Assets	$ 26,503	$ 29,290
#Fixed assets	35,668	42,404
Other assets	598	1,482
Total Assets	$ 62,769	$ 73,176

Liabilities
(000's)

Notes payable	$ 2,741	$ —
Long-term debt, curr.	1,136	1,111
Cap. lease oblig., curr.	210	188
Accts. payable	6,718	6,165
Accruals	2,991	3,453
Curr. Liabilities	$ 13,796	$ 10,917
Long-term debt	3,736	6,331
Cap. lease oblig.	7,690	7,900
+Common stock:		
Class A	360	360
Class B	552	552
Add. paid-in capital	12,612	12,612
Retained earnings	24,023	34,504
Total Liabilities & Shareholders' Equity	$ 62,769	$ 73,176

* At lower of cost or market by the retail method.
# Less accumulated depreciation and amortization.
+ $0 12 par value.

Statistical Summary

Sales to Inventories	9.98	11.38
Debt to Equity	0.41	0.32
Working Capital	$ 12,707,000	$ 18,373,000
Current Ratio	1.92	2.68
Shareholders' Equity	$ 37,547,000	$ 48,028,000

C & R Clothiers Inc.

8660 Hayden Place
Culver City, California 90232
(213) 559-8200
FAX: (213) 839-7480

Officers: Paul S. Reisbord, chairman of the board & president; Burton L. Kieffer, secretary; Elinor Johns, v.p.-human resources; Dianne Thomas, v.p.-advertising, sales promotion; Joel S. Adelman, exec. v.p.; John Olson, v.p.-operations; John Damiano, v.p.-merchandise; Jesse Stancarone, v.p.-management information systems; Harvey L. Kale, controller.

Directors: Paul S. Reisbord, chairman; Burton L. Kieffer, Harry Reisbord, Haya Reisbord.

Business Activities: Operates a chain of men's clothing stores located primarily in California.

Transfer Agent(s):

U.S. Stock Transfer Company
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLTH (NASDAQ)

Number of Stores: (at fiscal year end)

1990	68	1987	43
1989	64	1986	39
1988	61		

Sales & Earnings

	Net Sales	Net Income
1990*	$ 112,905,310	$ 1,003,019
1989	105,389,103	1,770,569
1988	82,317,380	573,017
1987	62,115,468	1,514,312
1986	57,239,905	714,670

	No. of Com. Shares #	Earn. per Share #
1990*	1,008,864	$ 1.00
1989	1,013,994	1.75
1988	1,012,466	0.57
1987	1,040,670	1.46
1986	1,076,567	0.66

* 53 weeks
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 10,782,225	$ 10.69
1989	9,703,254	9.57
1988	7,884,911	7.79
1987	7,388,404	7.10
1986	6,151,718	5.71

# Based on the weighted average number of shares outstanding.

C & R Clothiers Inc.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 112,905,310	$ 105,389,103
Cost of sales	64,759,265	58,403,634
Expenses	45,729,855	42,334,400
Depreciation & amortization	1,287,798	1,246,050
Interest expense	995,816	729,450
Gain on term. of store lses.	(1,041,938)	—
Income before taxes	$ 1,174,514	$ 2,675,569
Income taxes	513,000	1,208,000
Cum. effect of acct. change	(341,505)	(303,000)
Net Income	$ 1,003,019	$ 1,770,569

Assets

As of Jan.	2/3/90	1/28/89
Cash & cash equiv.	$ 525,805	$ 2,278,755
*Inventories	22,891,553	16,597,834
Credit card, layaway & other receiv.	2,386,310	1,531,989
Prepaid expenses	1,155,043	1,064,904
Deferred income taxes	146,000	421,000
Current Assets	$ 27,104,711	$ 21,894,482
#Fixed assets	8,329,199	6,356,823
Other assets	450,543	508,274
Total Assets	$ 35,884,453	$ 28,759,579

Liabilities

Notes payable	$ —	$ 1,104,996
Cap. lease oblig., curr.	41,655	39,217
Accts. payable	13,638,580	10,026,167
Accruals	4,163,060	2,774,659
Income taxes	253,049	1,391,539
Curr. Liabilities	$ 18,096,344	$ 15,336,578
Notes payable	5,500,000	2,596,670
Capital lease obligation	101,252	127,800
Deferred inc. taxes	774,000	591,000
Other liabilities	630,632	404,277
+Common stock	18,789	18,789
Add. paid-in capital	1,059,155	983,834
Retained earnings	11,425,654	10,422,635
Treasury stock	(1,721,373)	(1,722,004)
Total Liabilities & Shareholders' Equity	$ 35,884,453	$ 28,759,579

* At lower of average cost or market by the retail method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.04	-2.54
%Net Income to Sales	0.89	1.68
%Net Income to Equity	9.30	18.25
Sales to Inventories	4.93	6.35
Debt to Equity	0.52	0.40
Working Capital	$ 9,008,367	$ 6,728,950
Current Ratio	1.50	1.44
Shareholders' Equity	$ 10,782,225	$ 9,703,254

Crazy Eddie, Inc.

140 Carter Drive
Edison, New Jersey 08817
(201) 248-1410

(The Company is a debtor-in-possession under Chapter XI of the bankruptcy code in process of liquidation.)

Officers: T. David Mullen, president.

Business Activities: Operates home entertainment and consumer electronics retail stores in New York, New Jersey, Connecticut, and Pennsylvania under the Crazy Eddie name.

Transfer Agent(s):

NCNB Texas National Bank
Dallas, Texas

Number of Stores: (at fiscal year end)

1989	26	1986	23
1988	42	1985	15
1987	34		

Sales & Earnings

	Net Sales	Net Income #
1989	$ 253,398,000	$ (954,000)
1988	315,539,000	(109,098,000)
1987	352,523,000	10,596,000
1986	262,268,000	13,244,000
1985*	136,319,000	5,829,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	30,957,000	$ —
1988	30,957,000	—
1987	31,204,000	0.34
1986	27,664,000	0.48
1985*	24,212,000	0.24

(Loss)
* 9 months.
# Including extraordinary gain of $49,226,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ (19,702,000) †	$ —
1988	(18,756,000) †	—
1987	93,260,000	2.99
1986	42,621,000	1.54
1985	23,861,000	0.99

(Deficiency)
† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	2/26/89	2/28/88
Net sales	$ 253,398	$ 315,539
Cost of sales	201,958	346,791
Expenses	79,594	96,195
Prov. for store clos.	13,815	—
Interest expense	8,211	5,972
Loss before taxes	$ (50,180)	$ (133,419)
Tax credit	—	(24,321)
Net Loss	$ (50,180)	$ (109,098)
Extraord. gain	49,226	—
Net Loss & extraord. gain	$ (954)	$ (109,098)

* Included in Costs and Expenses, Depreciation and Amortization: $4,143,000 in 1989 and $4,305,000 in 1988.

Assets
(000's)

As of	2/26/89	2/28/88
Cash	$ 2,187	$ 5,100
Short-term invest.	7,937	9,846
Accts. receiv., net	1,900	3,529
*Inventories	38,490	59,444
Prepaid inc. taxes	137	32,077
Prepaid expenses	1,705	2,846
Land & bldg. held for sale	9,520	—
Current Assets	$ 61,876	$ 112,842
#Fixed assets	15,413	32,949
Other assets	2,234	3,008
Total Assets	$ 79,523	$ 148,799

Liabilities
(000's)

Short-term debt	$ 20,546	$ 24,500
Long-term debt, curr.	—	153
Accts. payable	24,709	42,752
Unearned service contract rev.	2,622	3,861
Other accruals	15,624	9,332
Curr. Liabilities	$ 63,501	$ 80,598
Long-term debt	—	632
Conv. subord. deben.	31,772	80,975
Unearned service contract rev.	3,934	5,332
+Preferred stock	18	18
++Common stock	315	315
Add. paid-in capital	58,640	58,630
Retained earnings (deficit)	(74,785)	(73,829)
Treasury stock	(3,872)	(3,872)
Total Liabilities & Shareholders' Equity	$ 79,523	$ 148,799

* At lower of weighted average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. 12 1/2% cumulative, redeemable, convertible.
++ $0.01 par value.

Statistical Summary

Sales to Inventories	6.58	5.31
Working Capital	—	$ 32,244,000
Current Ratio	—	1.40
Shareholders' Equity (Deficiency)	$ (19,684,000)	$ (18,738,000)

Crocodile Garments Limited

79 Hoi Yuen Road
Kwun Tong, Hong Kong
3-425111

Directors: Tsao Kwang Ngo, chairman; Chan Siu Hung, deputy chairman; Lim Por Yen, Peter Lam Kin Ngok, Alex Wong Ching Ping, Wong Kwan Hung, Shiu Kon Chung, Lam Hsieh Cheng Lu, U Po Chu.

Business Activities: Operates retail stores in Hong Kong which sell men's, ladies' and children's clothing. Also, manufactures, imports and exports a wide variety of garments.

Subsidiaries:

Crocodile Investment Limited
Crocodile Development Limited
Crocodile Finance Limited
Crocodile Marketing System Limited
The Palm Restaurant Limited
Costroll Company Limited
Dackart Trading Company Limited
Crocodile Garments (U.S.) Limited
Kentpark Development Limited
Gatooma Limited
Crocodile Garments (Zhong Shan) Limited
City Retailers Limited

Registrar:

Peat, Marwick
Wing On Centre, 10th Floor
111 Connaught Road Central
Hong Kong

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income
1988	$ 582,015,000	$ 89,436,000
1987	500,238,961	58,262,726
1986	442,406,360	46,255,579

	No. of Com. Shares	Earn. per Share ‡
1988	120,000,000	$ 0.75
1987	110,000,000	0.49
1986	110,000,000	0.42

x - In Hong Kong dollars.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.55	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 251,869,000	$ 2.10
1987	196,573,781	1.79
1986	182,311,055	1.66

Income Account *

Year ended Mar. 31	1988	1987
Net sales	$ 582,015,000	$ 500,239,000
Cost of sales & expenses	474,380,000	430,240,000
Income before taxes	$ 107,635,000	$ 69,999,000
Income taxes	18,199,000	11,736,000
Net Income	$ 89,436,000	$ 58,263,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,073,000 in 1988 and $4,456,000 in 1987.

Assets

As of Mar. 31	1988	1987
Cash	$ 28,254,000	$ 32,909,000
Amt. due from ultimate holding company	7,582,000	—
Debtors, deposits and prepayments	21,986,000	20,950,000
*Stocks	96,527,000	85,877,000
Investments	17,550,000	26,831,000
Current Assets	$ 171,899,000	$ 166,567,000
Interest in subsid.	69,189,000	—
#Fixed assets	126,698,000	122,919,000
Trademarks	54,716,000	—
Total Assets	$ 422,502,000	$ 289,486,000

Liabilities

Bank loans and overdrafts	$ 55,627,000	$ 8,005,000
Bills payable	15,689,000	3,812,000
Accts. payable & accruals	30,190,000	24,150,000
Taxation	9,527,000	5,446,000
Proposed final dividend	42,000,000	27,500,000
Curr. Liabilities	$ 153,033,000	$ 68,913,000
Long-term debt	17,600,000	24,000,000
+Common stock	120,000,000	110,000,000
Capital reserves	32,435,000	575,000
General reserves	40,000,000	40,000,000
Retained earnings	59,434,000	45,998,000
Total Liabilites & Shareholders' Equity	$ 422,502,000	$ 289,486,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ HK$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.49	13.99
%Net Income to Sales	15.37	11.65
%Net Income to Equity	35.51	29.64
Sales to Inventories	6.03	5.83
Debt to Equity	0.29	0.16
Working Capital	$ 18,866,000	$ 97,654,000
Current Ratio	1.12	2.42
Shareholders' Equity	$ 251,869,000	$ 196,573,000

Crowley, Milner and Company

2301 West Lafayette
Detroit, Michigan 48216-1891
(313) 962-2400
FAX: (313) 527-0214

Officers: Robert B. Carlson, chairman; Andrew J. Soffel, president & chief executive officer; Thomas C. McCracken, v.p.-stores & chief operating officer; Craig S. Peterson, v.p.-merchandising; David Rogers, v.p.-human resources; Mark A. VandenBerg, treasurer & secretary.

Directors: Alfred M. Entenman, Jr.*, Richard S. Keys, Norbert A. Sylvester*, Robert E. Winkel*, Robert B. Carlson*, Paul R. Trigg, Jr.*, Joseph C. Keys*, JoAnn Standart Cousino*, Andrew J. Soffel*, Julius L. Pallone.

* Member of the Executive Committee

Business Activities: Operates 11 fashion department stores in the Detroit metropolitan and suburban Flint, Michigan, areas, retailing medium and high quality men's, women's and children's apparel and accessories, and decorative home furnishings.

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): American

Ticker Symbol: COM

Number of Stores: (at fiscal year end)

1990	11
1989	11
1988	11
1987	12
1986	10

Sales & Earnings

	Net Sales ‡	Net Income †
1990	$ 113,622,833	$ 85,392
1989	110,741,261	685,632
1988	113,734,927	(1,902,439)
1987	112,961,154	1,739,633
1986	104,087,278	1,815,000

	No. of Com. Shares	Earn. per Share †
1990	509,067	$ 0.17
1989	509,067	1.35
1988	509,067	—
1987	509,067	3.42
1986	509,067	3.57

(Loss)
‡ Including sales of leased department.
† Including extraordinary loss of $80,140 ($0.15 per share) in 1989.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.00	—	—
1989	1.00	—	—
1988	1.00	—	—
1987	1.00	—	—
1986	1.25	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 18,862,210	$ 37.05
1989	19,285,885	37.89
1988	19,109,000	37.54
1987	21,521,000	42.28
1986	20,290,000	39.86

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 113,622,833	$ 110,741,261
Other income	327,652	292,785
Total income	$ 113,950,485	$ 111,034,046
Cost of sales	69,566,422	67,653,306
Expenses	42,057,287	39,953,522
Interest expense	1,313,583	1,511,240
Other charges	987,801	887,206
Income bef. taxes	$ 25,392	$ 1,028,772
Income taxes (credit)	(60,000)	263,000
Net Income	$ 85,392	$ 765,772
Extraord. loss	—	(80,140)
Net Income & extraord. loss	$ 85,392	$ 685,632

* Included in Costs and Expenses, Depreciation and Amortization: $2,706,301 in 1990 and $3,199,481 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & short-term investments	$ 4,222,485	$ 5,134,914
Accts. receiv., net	1,058,279	624,328
*Inventories	19,375,175	17,067,284
Prepaid prop. taxes	1,655,847	1,580,894
Employee benefits	—	541,343
Other curr. accts.	866,445	915,183
Deferred income taxes	564,000	245,000
Current Assets	$ 27,742,231	$ 26,108,946
#Fixed assets	18,330,087	18,940,265
Other assets	2,345,922	2,106,434
Total Assets	$ 48,418,240	$ 47,155,645

Liabilities

Long-term debt, curr.	$ 510,000	$ 638,000
Cap. lease oblig. curr.	338,612	223,227
Accts. payable	8,980,114	6,788,186
Accrued payroll	1,200,617	1,068,213
Property taxes	1,891,532	1,913,295
Income taxes	282,650	650,063
Other taxes	426,452	477,989
Curr. Liabilities	$ 13,629,977	$ 11,758,973
Long-term debt	9,155,000	9,871,000
Cap. lease oblig.	3,815,079	3,517,912
Deferred inc. taxes	1,729,000	1,642,000
Other liabilities	1,226,974	1,079,875
+Common stock	509,067	509,067
Add. paid-in capital	2,240,558	2,240,558
Retained earnings	16,112,585	16,536,260
Total Liabilities & Shareholders' Equity	$ 48,418,240	$ 47,155,645

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.02	0.93
%Net Income to Sales	0.08	0.69
%Net Income to Equity	0.45	3.97
Sales to Inventories	5.86	6.49
Debt to Equity	0.73	0.74
Working Capital	$ 14,112,254	$ 14,349,973
Current Ratio	2.04	2.22
Shareholders' Equity	$ 18,862,210	$ 19,285,885

Crown American Corporation

131 Market Street
Johnstown, Pennsylvania 15907
(814) 536-4441

NOTE: Privately held.

Officers: (Hess's Department Stores, Inc.) , Irwin Greenberg, president & chief exec. officer; Kenneth A. Hinkle, II, sr. v.p.-finance; Stephen J. Furst, exec. v.p.-operations; Joseph Bigatel, sr. v.p. & general merchandise manager, home furnishings; Larry Baughman, v.p. & div. merchanidse mgr.-housewares; Fred Bentelspacher, sr. v.p., director of sales promotion & public relations; Howard Coleman, exec. v.p.-merchandising; Richard Kula, v.p. & director-management information systems; John Murphy, v.p. & director-planning & operations; Wolfgang Otto, v.p. & director-graphic communications; James Quigley, v.p. & director-distribution; Nicholas Baxevane, v.p. & gen. mdse. mgr.-menswr., chld.'s intimate app., women's access.; Carol Clarke, v.p. & div. mdse. mgr.-cosmetics; Dennis DeFrain, v.p. & mdse. controller; Richard Johnson, v.p. & div. mdse. mgr.-intimate apparel & fashion accessories; Adolf Klova, v.p.-director of advertising; Walter Loyle, v.p. & div. mdse. mgr.-boys' and young men's; Cindy Schneider, v.p. & gen. mdse. mgr.-misses & junior sportswear; William Jenkins, v.p. & dir.-data processing; Bruce Kratz, v.p. & dir.-personnel; Cal Matichak, v.p. & reg. dir.-central Pennsylvania stores; James Miller, v.p. and asst. dir.-distribution; Scott Ratarsky, v.p. & regional dir.-East Tennessee stores; Manny Stratos, v.p. & div. mdse. mgr.-furniture; Kathy Tyminski, v.p. & div. mdse. mgr.-misses better sportswear; John Belletti, v.p. & regional dir.-Western Pennsylvania stores; Richard Johnson, v.p. & div. mdse. mgr.-intimate apparel.

Directors: (Crown American Corporation , Hess's Department Stores, Inc.); Frank J. Pasquerilla, chairman; Irwin Greenberg, Marlin R. Havener, Fred Bentelspacher, Nicholas O. Antonazzo, Joseph W. Bigatel, Stephen J. Furst, Mark E. Pasquerilla, Nicholas J. Pasquerilla, Thomas G. Fetsko, Howard Coleman, Paul K. Kiever, John A. Washko, Kenneth A. Hinkle, II.

Business Activities: Through its Hess's Department Stores, Inc. subsidiary, the Company operates 72 full-time department stores in Pennsylvania, New York, Maryland, Virginia, Tennessee, Georgia, Kentucky, North Carolina, Indiana and West Virginia. Also develops shopping centers and operates hotels.

Subsidiary:

Hess's Department Stores, Inc.
Hamilton Mall at Ninth Street
Allentown, Pennsylvania 18101
(215) 821-4377

Number of Stores: (at fiscal year end)

1988	72	1985	40
1987	71	1984	37
1986	43		

NOTE: The following statement of operations is for Hess's Department Stores and its subsidiaries.

Sales & Earnings

	Net Sales	Net Income
1989	$ 613,769,000	$ 8,404,000
1988	516,656,000	10,669,000
1987	367,545,000	15,822,000
1986	330,706,000	14,618,000
1985	273,590,000	11,651,000

Income Account *
(000's)

Year ended Jan. 31	1989	1988
Net sales	$ 613,769	$ 516,565
Cost of sales	464,961	383,124
Expenses	118,051	94,282
Interest expense	17,433	14,474
Interest income	(532)	(1,535)
Discount expense	8,067	7,931
Gain on sale of rl. est.	(7,290)	(13)
Income before taxes	$ 13,079	$ 18,302
Income taxes	4,675	7,633
Net Income	$ 8,404	$ 10,669

* Included n Costs and Expenses, Depreciation and Amortization: $20,260,000 in 1989 and $15,381,000 in 1988.

Assets
(000's)

As of Jan. 31	1989	1988
Cash & cash equiv.	$ 30,638	$ 35,9[illegible]
*Inventories	118,839	108,384
Prepaid expenses	6,759	6,342
Deferred inc. taxes	452	453
Current Assets	$ 156,688	$ 151,106
#Fixed assets	123,706	134,201
Other assets	1,753	2,316
Intangibles	57,541	59,028
Total Assets	$ 339,688	$ 346,651

Liabilities
(000's)

Long-term debt, curr.	$ 12,610	$ 12,211
Accts. payable	33,453	43,481
Co-worker compens.	5,539	5,177
Accruals	12,555	16,045
Deferred gain on sale-leaseback	773	378
Income taxes	431	6,832
Curr. Liabilities	$ 65,361	$ 84,124
Long-term debt	141,224	147,416
Deferred gain on sale-leaseback	11,671	4,763
Deferred inc. taxes	4,392	1,713
+Common stock	1,460	1,460
Add. paid-in capital	8,518	8,517
Retained earnings	107,693	99,289
Treasury stock	(631)	(631)
Total Liabilities & Shareholders' Equity	$ 339,688	$ 346,651

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.13	3.54
%Net Income to Sales	1.37	2.07
%Net Income to Equity	7.18	9.82
Sales to Inventories	5.16	4.77
Debt to Equity	1.31	1.47
Working Capital	$ 91,327,000	$ 66,982,000
Current Ratio	2.40	1.80
Shareholders' Equity	$ 117,040,000	$ 108,635,000

Crown Books Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200
FAX: (301) 731-1340

(52.8%-owned by Dart Group Corporation)

Officers: Herbert H. Haft, chairman of the board; Robert M. Haft, president & chief executive officer; Gloria G. Haft, secretary; Jeanne Herrick, exec. vice president; Jose Gonzalez, exec. vice president; Richard J. Koll, treasurer & chief financial officer; Miriam Bass, asst. v.p.; Mary Anne Deeney, asst. v.p.; Steve Hall, asst. v.p.; George Turner, asst. v.p.; Tom Burke, asst. v.p.; Nick Egelanian, asst. v.p.; George Skinsacos, asst. v.p..

Directors: Herbert H. Haft, chairman; Robert M. Haft, Gloria G. Haft, James G. Leonard, Claudine B. Malone.

Business Activities: Operates 253 specialty retail book stores in the Washington D.C., Chicago, Houston, Los Angeles, San Francisco, San Diego, and Seattle metropolitan areas, offering hardback books, paperbacks, magazines, and computer books and software, generally below publishers' suggested retail prices.

Subsidiaries:

Crown Books East Corporation
Crown Books West Corporation
Crown DHC Corporation
Bookstop, Inc. (42%-owned)

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CRWN (NASDAQ)

Number of Stores: (at fiscal year end)

1990	253	1987	199
1989	220	1986	187
1988	204		

Sales & Earnings

	Net Sales	Net Income
1990	$ 204,447,000	$ 10,327,000
1989	183,821,000	9,981,000
1988	168,979,000	6,182,000
1987	154,341,000	5,500,000
1986	137,245,000	6,680,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,229,000	$ 1.97
1989	5,237,000	1.91
1988	5,277,000	1.17
1987	6,258,000	0.88
1986	8,005,000	0.83

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 72,712,000	$ 10.06
1989	62,888,000	12.01
1988	54,680,000	10.36
1987	48,911,000	7.82
1986	80,400,000	10.04

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 204,447	$ 183,821
Other income	4,517	3,472
Total income	$ 208,964	$ 187,293

Cost of sales	157,872	139,544
Expenses	32,254	28,961
Depreciation & amortization	1,194	1,477
Interest expense	960	663
Income bef. taxes	$ 16,684	$ 16,648
Income taxes	6,357	6,667
Net Income	$ 10,327	$ 9,981

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 2,304	$ 3,102
Short-term invest.	46,365	52,157
Accts. receiv., net	2,462	2,580
Due from affil.	9	—
*Inventories	48,742	37,838
Def. inc. tax benefit	501	345
Other curr. assets	179	191
Current Assets	$ 100,562	$ 96,213
#Fixed assets	8,091	7,318
Invest. in Bookstop, Inc.	6,141	—
Other assets	192	123
Total Assets	$ 114,986	$ 103,654

Liabilities
(000's)

Cap. lease oblig., curr.	$ 661	$ 597
Accts. payable	27,505	22,471
Accrued payroll	3,635	2,940
Accrued taxes	1,423	1,124
Other accruals	4,140	4,875
Due to affiliates	—	37
Income taxes	267	2,544
Curr. Liabilities	$ 37,631	$ 34,588
Cap. lease oblig.	3,340	3,946
Reserve for closed stores	760	1,965
Deferred inc. taxes	543	267
+Common stock	54	53
Note receiv., net	(47)	—
Deferred compensation	(2,247)	—
Add. paid-in capital	40,253	37,846
Retained earnings	37,508	27,181
Treasury stock	(2,809)	(2,192)
Total Liabilities & Shareholders' Equity	$ 114,986	$ 103,654

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.16	9.06
%Net Income to Sales	5.05	5.43
%Net Income to Equity	14.20	15.87
Sales to Inventories	4.19	4.86
Debt to Equity	0.06	0.07
Working Capital	$ 62,931,000	$ 61,625,000
Current Ratio	2.67	2.78
Shareholders' Equity	$ 72,712,000	$ 62,888,000

Crystal Brands, Inc.

Crystal Brands Road
Southport, Connecticut 06490
(203) 254-6200
FAX: (203) 245-6252

Officers: Richard R. Kral, chairman of the board & chief exec. officer; Gerald M. Chaney, v.p. & chief financial officer; Michael B. McLearn, v.p., general counsel & secretary; Edward B. Dailey, exec. v.p.; Charles J. Smith, exec. v.p.; Jeffrey Jablow, president-Izod Lacoste Youthwear; James A. Northrop, president-Crystal Brands jewelry; Peter S. Acerra, president-Accessories; Robert J. Wichser, president-Women's Apparel Group; Keith Cook, president-Marvella; Charles Sakmann, president-Golf & Tennis Division; Thomas G. Day, president-Monet; Jay Shaw, president-Men's Sportswear Group; Ralph L. Shannon, president-Retail Group; Edward S. Kaminow, president-Palm Beach Tailored Clothing; Walter J. Kennedy, president-Izod Lacoste Menswear; Brian J. Tart, exec. v.p.; Larry Mathe, president-Izod Womenswear; James D. Wilson, v.p.-human resources; Charles A. Sakmann, president-Golf & Tennis; John Schofield, v.p.-worldwide sourcing; Henry D. Siegel, president-Calvin Clothing; John H. Wagstaff, president-Trifari; Richard P. Thrush, v.p. & controller; Dennis P. Kelly, treasurer.

Directors: Richard F. Kral, chairman; John H. Mullin, III, Francis C. Rooney, Jr., Gorden E. Allen, Allan J. Bloostein, Edward H. Meyer.

Business Activities: Operates Fashion Flair retail stores, which sell Izod and Lacoste discontinued apparel and excess inventory and out-of-season Ship'n Shore apparel. Operates Izod Lacoste apparel departments in department stores located throughout the country. Also operates a Gant retail clothing store, featuring Gant tailored clothing for men and boys, in Manhattan. In addition, the Company manufactures and markets men's, women's and children's tailored clothing, dress furnishings, and sportswear under the Izod, Lacoste, Ship'n Shore, Evan-Picone, Gant, Haspel, Eagle Shirtmakers, William Barry, Blassport, Austin Hill, Palm Beach, Turnbury, Brannoch, John Weitz, Polo by Ralph Lauren for Boys, Pierre Cardin for Boys, and Hunter Haig. In addition, the company produces and markets fine costume jewelry and accessories under the brand names Monet, Trifari and Marvella.

Divisions and Subsidiaries:

Izod, Ltd.
Men's, women's and children's sportswear.

Fashion Flair, Inc.
Retail operations.

Eagle Shirtmakers
High quality dress shirts for men.

Gant
Woven and knit sport shirts, sweaters, pants, shorts and swimwear for men.

Monet
P.O. Box 376
Murray Hill Station
New York, New York 10016
(212) 725-4700
Fashion jewelry.

Palm Beach Incorporated
400 Pike Street
Cincinnati, Ohio 45202
(513) 241-4260
Designs, manufactures, and markets tailored suits, sportcoats and sportswear for men and boys, and contemporary dresses, separates and tailored sportswear for women.

Trifari, Krussman and Fishel, Inc.
Produces and markets fine-quality costume jewelry under the Trifari and Marvella brand names.

Transfer Agent(s):

The Bank of New York
Stock Transfer Administration
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CBR

Sales & Earnings

	Net Sales +	Net Income †
12/30/89	$ 857,241,000	$ 18,529,000
12/31/88	390,871,000	14,648,000
12/27/87	315,115,000	15,993,000
12/28/86*	319,635,000	8,572,000
5/25/86	336,484,000	2,385,000

	No. of Com. Shares ‡	Earn. per Share † ‡
12/30/89	9,058,661	$ 2.05
12/31/88	9,000,591	1.63
12/27/87	8,966,489	1.78
12/28/86*	8,956,454	0.96
5/25/86	8,953,887	0.27

* Unaudited.
+ Of continuing operations only.
† Including extraordinary gain of $2,626,000 ($0.29 per share) in 1987.
‡ Based on the weighted average number of common shares outstanding during the year.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/30/89	$ 0.20	—	—
12/31/88	0.20	—	—
12/27/87	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/30/89	$ 237,749,000	$ 26.19
12/31/88	219,753,000	24.36
12/27/87	205,937,000	22.97
12/28/86	188,657,000	21.04
5/25/86	187,845,000	20.98

‡ Based on the weighted average number of common shares outstanding during the year.

Income Account *
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 857,241	$ 390,871
Cost of sales	552,020	239,203
Expenses	220,463	121,949
Interest expense	40,826	4,727
Inc. before taxes	$ 43,932	$ 24,992
Income taxes	16,539	8,669
Inc.-cont. oper.	$ 27,393	$ 16,323
Loss-discont. oper.	(8,864)	(1,675)
Net Income	$ 18,529	$ 14,648

* Included in Costs and Expenses, Depreciation and Amortization: $22,631,000 in 1989 and $11,198,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 14,178	$ 32,948
Acct. receiv., net	95,696	102,995
*Inventories	228,277	238,817
Other curr. assets	13,575	11,281
Current Assets	$ 351,726	$ 386,041
#Fixed assets	97,399	105,455
Goodwill	144,887	145,566
Intangibles	79,691	88,157
Other assets	8,825	8,967
Total Assets	$ 682,528	$ 734,186

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 65,398	$ 64,341
Accts. payable	52,773	53,209
Accrued expenses	23,300	28,379
Accrued interest	1,691	2,766
Accrued payroll	16,928	16,746
Accrued inc. taxes	6,864	5,620
Other accruals	604	1,184
Curr. Liabilities	$ 167,558	$ 172,245

Long-term debt		267,227		331,642
Deferred inc. taxes & other liab.		9,994		10,546
+Common stock		188,400		187,056
Retained earnings		47,161		30,445
Cum. for. curr. trans.		2,811		2,252
Total Liabilities & Shareholders' Equity	$	682,528	$	734,186

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity		11.52		6.67
Sales to Inventories		3.76		1.64
Debt to Equity		1.40		1.80
Working Capital	$	184,168,000	$	213,796,000
Current Ratio		2.10		2.24
Shareholders' Equity	$	237,749,000	$	219,753,000

Dairy Mart Convenience Stores, Inc.

240 South Road
Enfield, Connecticut 06082
(203) 741-3611
FAX: (203) 741-3072

Officers: Charles Nirenberg, chairman & chief exec. officer; Frank Colaccino, president & chief operating officer; Lawrence D. Handler, exec. v.p. & chief financial officer; Gerald E. Wagner, v.p.-gasoline operations; Bruce W. Weir, v.p.-management information systems; Mitchell J. Kupperman, exec. v.p.-human resources & secretary; Thomas A. Chicoine, v.p.-mfg. & distribution; Gregg O. Guy, v.p. & general mgr.; Gregory G. Landry, treasurer; Robert B. Stein, Jr..

Directors: Charles Nirenberg, chairman; Frank W. Barrett, Lawrence D. Handler, Theodore W. Leed, Frank Colaccino, Mitchell J. Kupperman.

Business Activities: Operates 1,105 convenience stores in 11 states in the Northeast, Midwest and Southeast, of which 654 stores are owned by the Company and 451 are franchised. These stores operate under the name "Dairy Mart" in New England and the Midwest, and "Convenient Food Mart" in the Southeast. Many of the Company's convenience stores (420) also dispense gasoline.

Divisions and Subsidiaries:

Dairy Mart, Inc.
Enfield, Connecticut
Operates Dairy Mart convenience stores in the Northeast.

Midwest Division
Cuyahoga Falls, Ohio
Operates convenience stores in the Midwest under the "Dairy Mart" name.

CONNA Corporation
Louisville, Kentucky
Operates convenience stores under the "Convenient Food Mart" name and gas stations under the "Convenient Gas" name.

Acquisition:

Stop-N-Go Stores, Inc.
Operates convenience stores in Ohio, Kentucky, and Michigan.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DMCVA (Class A), DMCVB (Class B) (NASDAQ)

Number of Stores:*

1990	1,105
1989	1,133
1988	1,188
1987	1,207
1986	933

* Includes franchised stores.

Sales & Earnings

		Net Sales		Net Income †
1990*	$	536,290,000	$	682,000
1989		519,876,000		4,106,000
1988		529,278,120		4,023,000
1987		398,966,000		(3,516,000)
1986		257,666,000		2,217,000

	No. of Com. Shares ‡		Earn. per Share † ‡
1990*	4,304,000	$	0.16
1989	4,376,000		0.94
1988	4,690,000		0.86
1987	4,593,000		—
1986	3,137,000		0.71

(Loss)
* 53 weeks.
† Including extraordinary gain of $300,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.03	—	—
1989	0.09	—	—
1988	—	—	—
1987	—	—	—
1986	—	10%	—

Common Stock Equity

		Total Equity		Equity Per Share ‡
1990	$	30,966,000	$	7.19
1989		30,049,000		6.87
1988		29,118,000		6.21
1987		26,724,000		5.82
1986		29,634,000		9.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account*
(000's)

Year ended Jan. 31		1990		1989
Net sales	$	536,290	$	519,876
Cost of sales		391,577		377,252
Expenses		133,257		130,505
Interest expense		8,193		7,755
Interest income		(640)		(661)
Other expense		13		171
Nonrecurring items		2,631		(2,904)
Income before taxes	$	1,259	$	7,758
Income taxes		577		3,652
Net Income	$	682	$	4,106

* Included in Costs and Expenses, Depreciation and Amortization: $12,054,000 in 1990 and $11,098,000 in 1989.

Assets
(000's)

As of Jan. 31		1990		1989
Cash	$	7,919	$	2,252
Accts. receiv., net		7,051		5,821
*Inventories		22,077		22,638
Prepaid expenses		3,080		1,808
Refund. inc. taxes		2,476		—
Current Assets	$	42,603	$	32,519
#Fixed assets		68,227		70,284
Other assets		33,441		33,713
Total Assets	$	149,109	$	140,518

Liabilities
(000's)

Long-term debt, curr.	$	400	$	689
Cap. lease oblig., curr.		1,150		1,316
Accts. payable		31,325		23,349
Accruals		11,897		10,690
Curr. Liabilities	$	44,772	$	36,044
Long-term debt.		59,557		60,585
Cap. lease oblig.		5,596		4,872
Reserve for pension withdrawal liab.		—		3,129
Other liabilities		4,480		3,254
Deferred inc. taxes		3,738		2,585
+Common stock		48		47
Add. paid-in capital		26,450		26,091
Retained earnings		9,408		8,851
Treasury stock		(4,940)		(4,940)
Total Liabilities & Shareholders' Equity	$	149,109	$	140,518

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		0.23		1.49
%Net Income to Sales		0.13		0.79
%Net Income to Equity		2.20		13.66
Sales to Inventories		24.29		22.96
Debt to Equity		2.15		2.25
Shareholders' Equity	$	30,966,000	$	30,049,095

Dart Group Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200
FAX: (301) 731-1340

Officers: Herbert H. Haft, chairman of the board & chief executive officer; Robert M. Haft, president & chief operating officer; Richard J. Koll, exec. v.p. & chief financial officer; Linda G. Haft, sr. v.p.; Gloria G. Haft, v.p.; Robert B. Hirsch, asst. secretary; Dennis N. Weiss, exec. v.p.-real estate; Elliott R. Arditti, v.p.-legal; Ron Rice, asst. v.p.; Robert F. Ampula, v.p.-management information systems; Judy L. Evans, asst. v.p.; Bruce E. Kudeviz, asst. treasurer.

Directors: Herbert H. Haft, Gloria Haft, Robert Haft, Warren Tydings, Claudine B. Malone.

Business Activities: Operates retail discount auto parts stores through Trak Auto Corporation (a 68%-owned subsidiary), retail discount book stores through Crown Books Corporation (54%-owned), retail discount grocery stores through Jumbo Food Stores, Inc. (majority-owned), and a financial business through Dart Group Financial Corporation.

Subsidiaries:

Trak Auto Corporation (68%-owned)
3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

Operates 274 retail discount auto parts stores in the Washington, D.C.; Baltimore, Maryland; Richmond, Virginia; Chicago, Illinois; and Los Angeles, California, metropolitan areas.

Crown Books Corporation (54%-owned)
3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

Operates 220 retail discount book stores in the Washington, D.C.; Los Angeles, California; Chicago, Illinois; San Francisco, California; San Diego, California; Houston, Texas; and Seattle, Washington, metropolitan areas.

Jumbo Food Stores, Inc.
Landover, Maryland

Operates 18 retail discount grocery stores under the name "Shoppers Food Warehouse" in the Washington, D.C., metropolitan area.

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DARTA (NASDAQ)

Sales & Earnings

	Net Sales #	Net Income +
1990	$ 943,050,000	$ 11,677,000
1989	660,091,000	28,659,000
1988	406,779,000	(19,726,000)
1987	367,401,000	30,727,000
1986	119,349,000	9,870,000

	No. of Com. Shares †	Earn. per Share +‡
1990	1,736,266	$ 6.15
1989	1,734,677	15.52
1988	1,731,844	—
1987	1,723,580	16.43
1986	1,712,130	5.28

(Loss)
# Of continuing operations only.
+ Including extraordinary gain of $2,510,000 ($1.36 per share) in 1989 and extraordinary losses of $223,000 ($0.12 per share) in 1989, $813,000 in 1988 and $5,258,000 ($2.81 per share) in 1987.
† Class A and Class B common stock combined.
‡ Based on the weighted average number of Class A and Class B common stock outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.13	—	—
1989	0.13	—	—
1988	0.13	—	—
1987	0.13	—	—
1986	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 263,528,000	$ 151.78
1989	252,651,000	145.65
1988	223,895,000	129.28
1987	243,290,000	141.15
1986	197,566,000	115.39

‡ Based on Class A and Class B common stock combined.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 908,896	$ 632,587
Income from bankers' accept.	16,826	14,088
Other income	17,328	13,416
Total income	$ 943,050	$ 660,091
Cost of sales	732,917	508,809
Expenses	144,061	100,346
Depreciation & amortization	10,997	6,598
Interest expense	20,842	22,202
Unusual items	—	(34,663)
Income before taxes	$ 34,233	$ 56,799
Income taxes	13,357	21,412
Minority interest	8,976	9,238
Net Income	$ 11,900	$ 26,149
Extraord. items	(223)	2,510
Net Income & extraord. items	$ 11,677	$ 28,659

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 18,607	$ 17,490
Bankers' accept.	190,521	189,949
Market. secur.	129,413	176,755
Accts. receiv., net	11,803	11,270
*Inventories	150,848	130,909
Deferred tax benefit	541	666
Other curr. assets	1,773	1,517
Current Assets	$ 503,506	$ 528,556
#Fixed assets	135,464	50,477
Exc. of cost over assets acq.	9,737	10,672
Invest. in Bookstop, Inc.	6,141	—
Debenture costs	1,433	1,842
Def. tax benefit	632	548
Other assets	1,361	1,201
Total Assets	$ 658,274	$ 593,296

Liabilities
(000's)

Notes payable	$ 7,805	$ —
Long-term debt, curr.	5	192
Mortg. payable, curr.	213	—
Accts. payable	74,719	77,350
Inc. taxes payable	16,504	18,909
Accrued payroll	13,004	10,378
Accrued taxes	6,277	3,647
Accrued interest	6,035	6,586
Other accruals	13,589	13,134
Oblig. under cap. leases, curr.	1,760	1,724
Curr. Liabilities	$ 139,911	$ 131,920
Long-term debt	52	425
Mortg. payable	32,066	—
Subord. deben.	114,124	124,449
Oblig. under cap. leases	31,992	21,579
Reserve for closed stores	1,827	1,965
Minority interest	74,774	60,307
+ Common stock:		
Class A	1,636	1,634
Class B	303	303
Add. paid-in capital	63,792	64,403
Retained earnings	199,546	188,060
Treasury stock	(1,749)	(1,749)
Total Liabilities & Shareholders' Equity	$ 658,274	$ 593,296

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.77	8.98
% Net Income to Sales	1.31	4.13
% Net Income to Equity	4.52	10.35
Sales to Inventories	6.03	4.83
Debt to Equity	0.28	0.09
Working Capital	$ 363,595,000	$ 396,636,000
Current Ratio	3.60	4.01
Shareholders' Equity	$ 263,528,000	$ 252,651,000

Dawson International plc

9 Charlotte Square
Edinburgh, EH2 4DR, Scotland
031-220-1919
FAX: 031-459-1786

Directors: Sir Alan Smith, president; R. A. B. Miller, chairman & chief executive; W. R. Alexander, J. E. Bolton, J. D. Embrey, B. S. Faulkner, P. W. Kemp, K. Fox, T. Sharp, W. A. Simpson, H. Somerville, secretary.

Business Activities: Operates "Cashmere Cashmere" retail clothing stores in the USA, and "Pringle" retail clothing stores in Scotland and West Germany. Other Company operations include the manufacture of fully fashioned knitwear and clothing, fleece fabrics, fur fabrics, velvets, shower curtains and bathroom accessories, the spinning of yarn and wool, the weaving of fabrics and fine cloth, and the manufacture of thermal knitwear and winter clothing.

Subsidiaries (Great Britain):

The Ballantyne Cashmere Co. Ltd.
Manufacture of Ballantyne branded fully fashioned knitwear and clothing.

Barrie Knitwear Ltd.
Manufacture of Barrie branded fully fashioned knitwear.

Blackwood Brothers Ltd.
Carpet yarn spinning.

British Replin Ltd.
Weaving of specialized upholstery fabrics.

Cowper and Tordoff Ltd.
Distributes fleece and silver knitted fur fabrics.

Glenmac Knitwear (Hawick) Ltd.
Manufacture of Glenmac branded fully fashioned knitwear.

Laidlaw & Fairgrieve Ltd.
Woolen yarn spinning.

J. & D. McGeorge Ltd.
Manufacture of McGeorge branded fully fashioned knitwear.

Robert Noble Ltd.
Weaving of fine cloths.

Pennine Fur Fabrics Ltd.
Manufactures silver knitted fur fabrics.

Pringle of Scotland Ltd.
Manufacture of Pringle of Scotland branded fully fashioned knitwear and clothing.

Braemar Knitwear Ltd.
Manufacture of Braemar fully fashioned knitwear.

Todd & Duncan Ltd.
Woolen, cashmere and lambwool spinning.

Joseph Dawson Ltd.
Cashmere dehairing, commission woolcombing.

Dawson Fur Fabrics, Ltd.
Manufacture of fleece fabrics, fur fabrics and Dralon velvets.

Subsidiaries (U.S.A.):

Associated Products Inc.
Manufacture and distribution of shower curtains and bathroom accessories.

The Ballantyne Cashmere Company Ltd.
Operates retail stores in the USA that sell a wide range of cashmere goods.

Dawson Consumer Products Inc.
Manufacturer of knitted sportswear and underwear.

Dawson International (U.S.A.) Inc.
Marketing and distribution of knitwear, cashmere garments, and other clothing.

Duofold Inc.
Manufacture of Duofold branded winter clothing.

J.E. Morgan Knitting Mills Inc.
Manufacture of J.E. Morgan branded thermal knitwear.

Registrar:

Clydesdale Bank plc
P.O. Box 124
The Guild Hall
57 Queen Street, Glasgow G1 3EA, Scotland

Sales & Earnings

	Net Sales	Net Income †
1990	£ 441,173,000	£ 30,633,000
1989	351,903,000	21,872,000
1988	355,313,000	31,446,000
1987	334,433,000	26,832,000
1986	285,194,000	21,893,000

	No. of Com. Shares	Earn. per Share † ‡
1990	153,739,135	18.1p
1989	153,564,731	18.1
1988	152,318,237	20.4
1987	151,246,610	20.1
1986	142,612,000	18.5

£ - pound sterling.
† Including extraordinary gain of £ 406,000 (0.3p per share) in 1988 and extraordinary losses of £ 6,413,000 (4.2p per share) in 1989, £ 2,997,000 (2.0p per share) in 1987 and £ 4,340,000 (3.1p per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	9.0p	—	—
1988	8.6	—	—
1987	7.8	—	—
1986	6.9	—	—
1985	6.2	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	1175,104,000	113.9p
1989	163,856,000	106.7
1988	172,111,000	113.0
1987	157,851,000	106.1
1986	137,963,000	97.1

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Net sales	£ 441,173	£ 351,903
Cost of sales	331,198	252,980
Distribution costs	32,307	29,849
Administration expenses	29,757	25,462
Other oper. income	(1,409)	(1,416)
Interest income	(4,808)	(3,735)
Interest expense	13,764	5,713
Income before taxes	£ 40,364	£ 43,050
Income taxes	9,731	14,765
Net Income	£ 30,633	£ 28,285
Extraord. loss	—	(6,413)
Net Income & extraord. loss	£ 30,633	£ 21,872

* Included in Costs and Expenses, Depreciation: £ 11,456,000 in 1989 and £ 9,288,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash	£ 49,381	£ 44,302
Accts. receiv., net	75,748	76,225
Investments	11,423	12,885
*Stocks	140,240	129,282
Current Assets	£ 276,792	£ 262,694
#Fixed assets	121,238	103,096
Total Assets	£ 398,030	£ 365,790

Liabilities
(000's)

	1990	1989
Bank loans & overdrafts	£ 49,968	£ 23,364
Accts. payable	34,241	36,293
Accruals	18,159	15,335
Taxation	17,513	23,731
Other payables	1,620	2,919
Proposed dividend	9,966	9,661
Curr. Liabilities	£ 131,467	£ 111,303
Long-term debt	78,619	75,640
Deferred taxation	—	324
Accruals	112	53
Amts. due under fin. leases	—	1,822
Other liabilities	12,728	12,792
Pref. stock of subsid.	3,480	3,480
+Common stock	38,443	38,427
Add. paid-in capital	2,159	2,099
Revaluation reserve	28,079	28,185
Other reserve	26,684	26,684
Retained earnings	76,259	64,981
Total Liabilites & Shareholders' Equity	£ 398,030	£ 365,790

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	9.15	12.23
%Net Income to Sales	6.94	8.04
%Net Income to Equity	17.49	17.26
Sales to Inventories	3.15	2.72
Debt to Equity	0.73	0.60
Working Capital	£ 145,325,000	£ 151,391,000
Current Ratio	2.11	2.36
Shareholders' Equity	£ 175,104,000	£ 163,856,000

Dayton Hudson Corporation

777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6948
FAX: (612) 370-5502

Officers: Kenneth A. Macke, chairman of the board & chief executive officer; Stephen E. Watson, president; James T. Hale, sr. v.p., general counsel & secretary; Edwin H. Wingate, sr. v.p.; Willard C. Shull, III, sr. v.p.; Ann H. Barkelew, v.p.; Larry E. Carlson, v.p.; L. Fred Hamacher, v.p.; Karol D. Emmerich, v.p. & treasurer; William E. Harder, v.p. & asst. secretary; William P. Hise, asst. secretary; James R. Eckmann, asst. treasurer.

Directors: Donald J. Hall, Stephen E. Watson, Kenneth A. Macke, Livio D. DeSimone, David T. McLaughlin, Bruce K. MacLaury, Roger L. Hale, Rand V. Araskog, Robert A. Burnett, John A. Rollwagen, Betty Ruth Hollander, David T. Kearns, Mary Patterson McPherson.

Business Activities: Operates department stores, low margin stores and specialty stores in 33 states.

Divisions and Subsidiaries:

DEPARTMENT STORES:

Dayton Hudson Department Store Company
Minneapolis, Minnesota
Operates 37 department stores in the Midwest under the names "Hudson's" and "Dayton's."

LOW MARGIN STORES:

Target
777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6073
Operates 399 stores located in 31 Midwestern, Western and Southeastern states.

SOFTLINES STORES:

Mervyn's
25001 Industrial Boulevard
Hayward, California 94545
(415) 785-8800
Operates 221 department stores offering nationally branded and private label apparel, accessories and household softgoods. Stores are located in 15 states, with the greatest number in California (98) and Texas (37).

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: DH

Number of Stores: (at fiscal year end)

	Dept. Stores	Target Stores
1989	37	399
1988	37	341
1987	37	317
1986	37	246
1985	37	226

	Mervyn's Stores
1989	221
1988	213
1987	199
1986	175
1985	148

Sales & Earnings

	Revenues ‡ (000's)	Net Income † (000's)
1990	$ 13,644,000	$ 410,000
1989	12,204,000	287,000
1988	10,677,300	228,400
1987	9,259,100	310,000
1986	8,255,300	283,600

	No. of Com. Shares +	Earn. per Share †+
1990	76,300,000	$ 5.37
1988	83,300,000	3.45
1988	94,800,000	2.41
1987	97,300,000	3.19
1986	97,100,000	2.92

‡ Of continuing operations only.
† Including extraordinary loss of $32,300,000 in 1986.
+ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Target	$ 7,519,000	$ 6,331,000
Mervyn's	3,858,000	3,411,000
Dayton Hudson Dept. Store Co.	1,801,000	1,693,000
Other	466,000	769,000
Total	$ 13,644,000	$ 12,204,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 1.170	—	—
1989	1.045	—	—
1987	0.945	—	—
1987	0.860	—	—
1986	0.785	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1990	$ 1,753,000	$ 24.73
1989	1,861,000	23.97
1988	1,986,000	23.15
1987	2,179,500	22.38
1986	1,947,355	20.04

Income Account
(000's)

Year ended	2/3/90	1/28/89
Revenues	$ 13,644,000	$ 12,204,000
Cost of revenues	9,890,000	8,980,000
Expenses	2,264,000	2,038,000
Depreciation	315,000	290,000
Interest expense	267,000	218,000
Other taxes	230,000	206,000
Income before taxes	$ 678,000	$ 472,000
Income taxes	268,000	185,000
Net Income	$ 410,000	$ 287,000

Assets
(000's)

As of	2/3/90	1/28/89
Cash & market. securities	$ 103,000	$ 53,000
Accts. receiv., net	1,138,000	1,223,000
*Inventories	1,827,000	1,669,000
Other current assets	39,000	36,000
Current Assets	$ 3,107,000	$ 2,981,000
#Fixed assets	3,523,000	3,486,000
Other assets	54,000	56,000
Total Assets	$ 6,684,000	$ 6,523,000

Liabilities
(000's)

Commercial paper	$ 234,000	$ 148,000
Long-term debt, curr.	72,000	95,000
Accts. payable	1,166,000	1,056,000
Accruals	536,000	566,000
Income taxes	187,000	138,000
Curr. Liabilities	$ 2,195,000	$ 2,003,000
Long-term debt	2,510,000	2,383,000
Deferred income taxes	225,000	276,000
+Redeem. pref. stock	379,000	—
Loan to ESOP	(378,000)	—
++Common stock	71,000	78,000
Add. paid-in capital	34,000	25,000
Retained earnings	1,648,000	1,758,000
Total Liabilities & Shareholders' Equity	$ 6,684,000	$ 6,523,000

* Using the retail inventory method (LIFO).
# Less accumulated depreciation.
+ $0.01 par value; ESOP $56.20 cumulative convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.97	3.87
%Net Income to Sales	3.00	2.35
%Net Income to Equity	23.39	15.42
Debt to Equity	1.61	1.41
Working Capital	$ 912,000,000	$ 978,000,000
Current Ratio	1.42	1.49
Shareholders' Equity	$ 1,753,000,000	$ 1,861,000,000

Deb Shops, Inc.

9401 Blue Grass Road
Philadelphia, Pennsylvania 19114
(215) 676-6000
FAX: (215) 969-2830

Officers: Marvin Rounick, president & chief exec. officer; Warren Weiner, exec. v.p., secretary & treasurer; Barry Vesotsky, v.p.-merchandising; Traci Jan Morrow, v.p.-store operations; Stanley A. Uhr, v.p.-real estate & corp. counsel; Crawford Grogan, v.p.-display; Marvin Waxman, controller.

Directors: Marvin Rounick, Warren Weiner, Jack A. Rounick, Paul S. Bachow, Barry H. Feinberg, Barry H. Frank.

Business Activities: Operates a chain of specialty apparel stores offering moderately priced, fashionable, coordinated sportswear, dresses, coats and accessories to the junior-sized female, in 32 states.

Transfer Agent(s):

American Stock Transfer and Trust Company

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEBS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	316
1988	294
1987	273
1986	231
1985	190

Sales & Earnings

	Net Sales	Net Income
1990	$ 201,899,000	$ 17,640,000
1989	194,050,000	13,750,000
1988	198,447,000	11,954,000
1987	181,412,000	12,615,000
1986	147,104,000	10,350,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	15,473,633	$ 1.14
1989	15,422,798	0.89
1988	15,312,173	0.78
1987	15,202,368	0.83
1986	15,061,634	0.68

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.20	—	—
1988	0.20	—	2-for-1
1987	0.139	—	—
1986	0.091	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1990	$ 85,995,640	$ 5.53
1989	70,635,519	4.60
1988	59,634,876	3.90
1987	50,323,021	3.32
1986	39,126,126	2.59

+ After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

Income Account

Year ended Jan. 31	1990	1989
Net sales	$ 201,899,476	$ 194,049,515
Other income	2,177,472	1,221,956
Total income	$ 204,076,948	$ 195,271,471
Cost of sales	137,075,917	136,595,887
Expenses	36,028,329	33,417,451
Depreciation	3,642,760	3,230,469
Loss on invest.	—	327,885
Income before taxes	$ 27,329,942	$ 21,699,779
Income taxes	9,690,000	7,950,000
Net Income	$ 17,639,942	$ 13,749,779

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 46,169,386	$ 39,498,081
Investments	3,857,460	3,755,640
*Inventories	29,919,781	24,531,460
Prepaid expenses	2,111,534	1,861,961
Current Assets	$ 82,058,161	$ 69,647,142
#Fixed assets	22,670,746	22,156,584
Total Assets	$ 104,728,907	$ 91,803,726

Liabilities

Accts. payable	$ 8,382,340	$ 11,365,115
Accruals & taxes	4,200,749	3,570,558
Income taxes	4,109,310	4,191,666
Curr. Liabilities	$ 16,692,399	$ 19,127,339
Cap. lease oblig.	2,040,408	2,040,408
+Preferred stock	460	460
++Common stock	155,451	154,455
Add. paid-in capital	4,577,887	3,394,093
Retained earnings	82,663,573	68,159,037
Treasury stock	(1,401,271)	(1,072,066)
Total Liabilities & Shareholders' Equity	$ 104,728,907	$ 91,803,726

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.54	11.18
%Net Income to Sales	8.74	7.09
%Net Income to Equity	20.51	19.47
Sales to Inventories	6.75	7.91
Debt to Equity	0.02	0.03
Working Capital	$ 65,365,762	$ 50,519,803
Current Ratio	4.92	3.64
Shareholders' Equity	$ 85,996,100	$ 70,635,979

Decor Corporation

(The Company was acquired by Claire's Stores in December, 1989.)

1519 Alum Creek Drive South
Columbus, Ohio 43209
(614) 258-2871

Officers: Bob Binsky, chairman & chief exec. officer; Beatrice Binsky, exec. v.p. & secretary-treasurer; John Lynch, exec. v.p. & chief financial officer; Angel Guzman, v.p.-store operations; Kathy Sheller, v.p. & store controller; Richard Sundquist, v.p.-facilities; Martha Widlus, divisional v.p.-trend merchandising.

Directors: Bob Binsky, chairman; Beatrice Binsky, Harmon W. Beyer, T. James Koehler.

Business Activities: Operates 68 graphic art stores and 48 trend gift stores in 23 states and the District of Columbia. The graphic art stores, which do business under the names "The Art Works" and "The Picture Show," sell fine art posters, graphic reproductions and original lithographs to retail customers. The trend gift stores, which do business under the names 'Art Explosion,' and "E. 57th," sell contemporary greeting cards, T-shirts, unframed posters, calendars and stationery products, seasonal items, and other trend items.

Subsidiary:

Art Explosion, Inc.

Number of Stores: (at fiscal year end)

1988	116
1987	95
1986	80
1985	40
1984	18

Sales & Earnings

	Net Sales	Net Income
1988	$ 26,499,717	$ (941,346)
1987	21,094,062	(1,342,434)
1986	14,700,962	601,113
1985	6,230,696	319,882
1984	3,009,226	170,315

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,100,030	$ —
1987	2,087,255	—
1986	1,941,757	0.31
1985	1,526,916	0.21
1984	1,356,916	0.13

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	0.01	5%	—
1986	0.005	—	3-for-2
1985	—	—	—
1984	—	—	960-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 4,625,751	$ 2.20
1987	5,567,097	2.67
1986	6,651,024	3.43
1985	3,038,120	1.99
1984	1,678,924	1.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended May 31	1988	1987
Net sales	$ 26,499,717	$ 21,094,062
Cost of sales	17,247,422	14,362,135
Store oper. expenses	6,845,756	5,470,792
Gen. & adm. expenses	2,671,084	2,073,688
Interest expense	663,823	474,241
Other expense	12,978	312,387
Loss before taxes	$ (941,346)	$ (1,599,181)
Tax credit	—	(256,747)
Net Loss	$ (941,346)	$ (1,342,434)

* Included in Costs and Expenses, Depreciation and Amortization: $1,118,451 in 1988 and $956,200 in 1987.

Assets

As of May 31	1988	1987
Cash	$ 2,701	$ 356,415
Marketable securities	96,438	5,564,224
Accts. receiv., net	260,675	306,551
*Inventories	4,599,153	2,842,219
Prepaid expenses	248,797	144,479
Current Assets	$ 5,207,764	$ 9,213,888
#Fixed assets	7,580,880	5,769,512
Intangibles	3,021,672	3,121,611
Bond issuance costs	329,444	349,857
Total Assets	$ 16,139,760	$ 18,454,868

Liabilities

Accts. payable	$ 1,455,708	$ 1,337,135
Accrued payroll	261,442	197,508
Other accruals	796,859	715,128
Short-term borrowings	—	1,638,000
Long-term debt, curr.	—	1,000,000
Curr. Liabilities	$ 2,514,009	$ 4,887,771
Long-term debt	9,000,000	8,000,000
+Common stock	21,004	20,991
Add. paid-in capital	6,324,316	6,324,329
Retained earnings (deficit)	(1,716,404)	(775,058)
Treasury stock	(3,165)	(3,165)
Total Liabilities & Shareholders' Equity	$ 16,139,760	$ 18,454,868

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	5.76	7.42
Debt to Equity	1.95	1.91
Working Capital	$ 2,693,755	$ 4,326,117
Current Ratio	2.07	1.89
Shareholders' Equity	$ 4,625,751	$ 5,567,097

Delchamps, Inc.

305 Delchamps Drive
P.O. Box 1668
Mobile, Alabama 36633
(205) 433-0431

Officers: A. F. Delchamps, Jr., chairman & chief exec. officer; Randy Delchamps, president & chief operations officer; John H. Holland, v.p.-finance & chief financial officer; Donald A. Mathews, v.p.-distribution; Annie D. Moore, treasurer; Emmette D. Easterling, v.p.-retail operations; James H. McDonald, Jr., v.p. & general counsel; Heidi A. Eckert, corp. secretary; Larry S. Griffin, v.p.-merchandising; Sarah F. Watson, asst. corp. secretary.

Directors: A. F. Delchamps, Jr., chairman of the board; John A. Caddell, William W. Crawford, T. Robert Fiddler, Annie D. Moore, Joel O. Swanson, Carl F. Bailey, E. Eugene Bishop, Randy Delchamps.

Business Activities: Operates 104 supermarkets in Alabama, Florida, Mississippi, and Louisiana.

Subsidiaries:

Supermarket Cigarette Sales, Inc.

Transfer Agent(s):

First Alabama Bank
P.O. Box 5260
Montgomery, Alabama 36103

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DLCH (NASDAQ)

Number of Stores: (at fiscal year end)

1988	104
1987	96
1986	90
1985	85
1984	78

Sales & Earnings

	Net Sales	Net Income
1989	$ 899,532,000	$ 12,140,000
1988*	863,003,000	9,802,000
1987	784,893,000	6,319,000
1986	688,632,000	8,004,000
1985	631,084,000	9,608,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	7,091,000	$ 1.71
1988*	6,777,000	1.45
1987	6,549,000	0.96
1986	6,987,000	1.15
1985	6,994,000	1.37

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.34	—	—
1988	0.28	—	—
1987	0.28	—	—
1986	0.21	—	—
1985	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 76,789,000	$ 10.83
1988	69,887,000	10.31
1987	66,175,000	10.10
1986	72,187,000	10.33
1985	67,181,000	9.61

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	7/1/89 (53 weeks)	7/2/88
Net sales	$ 899,532,000	$ 863,003,000
Cost of sales	696,099,000	680,064,000
Expenses	179,897,000	165,714,000
Interest expense	6,573,000	5,156,000
Interest income	(859,000)	(584,000)
Income before taxes	$ 17,822,000	$ 12,653,000
Income taxes	5,682,000	3,897,000
Cum. effect of acct. change	—	(1,046,000)
Net Income	$ 12,140,000	$ 9,802,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,650,000 in 1989 and $11,372,000 in 1988.

Assets

As of	7/1/89	7/2/88
Cash	$ 4,417,000	$ 4,965,000
Short-term invest.	7,036,000	19,635,000
Accts. receiv., net	2,759,000	2,466,000
Other receivables	635,000	497,000
*Inventories	81,427,000	58,667,000
Prepaid expenses	1,179,000	1,462,000
Def. inc. taxes	3,413,000	2,728,000
Current Assets	$ 100,866,000	$ 90,420,000
#Fixed assets	93,643,000	91,743,000
Deposits	853,000	846,000
Other assets	957,000	1,252,000
Cost in exc. of assets acq.	5,997,000	6,154,000
Total Assets	$ 202,316,000	$ 190,415,000

Liabilities

Cap. lease oblig., curr.	$ 2,725,000	$ 2,420,000
Long-term debt, curr.	1,711,000	1,658,000
ESOP debt	2,000,000	—
Accts. payable	38,107,000	33,969,000
Accruals	18,514,000	14,822,000
Income taxes	1,525,000	1,776,000
Curr. Liabilities	$ 64,582,000	$ 54,645,000
Cap. lease oblig.	22,232,000	24,957,000
Long-term debt	14,637,000	16,348,000
ESOP debt	14,000,000	12,899,000
Deferred compensation	—	4,424,000
Deferred inc. taxes	9,165,000	6,278,000
Other liabilities	911,000	977,000
+Common stock	71,000	70,000
Add. paid-in capital	20,212,000	16,522,000
Retained earnings	75,919,000	66,194,000
ESOP debt	(16,000,000)	(12,899,000)
Restricted stock award comp.	(3,413,000)	—
Total Liabilities & Shareholders' Equity	$ 202,316,000	$ 190,415,000

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.98	1.47
%Net Income to Sales	1.35	1.14
%Net Income to Equity	15.81	14.03
Sales to Inventories	11.05	14.71
Debt to Equity	0.54	0.65
Working Capital	$ 36,284,000	$ 35,775,000
Current Ratio	1.56	1.65
Shareholders' Equity	$ 76,789,000	$ 69,887,000

Designs, Inc.

1244 Boylston Street
Chestnut Hill, Massachusetts 02167
(617) 739-6722
FAX: (617) 277-3516

Officers: Calvin Margolis, chairman & chief executive officer; Stanley I. Berger, president & chief operating officer; Joel H. Reichman, executive v.p.; Geoffrey M. Holczer, v.p., treasurer & chief financial officer; Kenneth P. Chaisson, mgr.-data processing; Samuel J. Levenson, financial reporting & investor relations; Scott N. Semel, v.p., secretary & general counsel; Feng-Yuan Chen, Asst. treasurer & controller; Theresa Nehmer Baybutt, human resources; James J. Culhane, internal audit; Martin Goldstein, construction & store planning; Seth Lerner, real estate; Roderick M. Wills, merchandise planning.

Directors: Calvin Margolis, chairman of the board; Stanley I. Berger, Joel H. Reichman, Max Coffman, James G. Groninger, Charles E. Carples.

Business Activities: Operates a chain of 94 specialty retail stores in 26 states, located in the East, South and Midwest. These stores sell exclusively Levi Strauss & Co., Inc. clothing and accessories and operate under the names "Designs exclusively Levi Strauss & Co." and "Specials exclusively Levi Strauss & Co."

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DESI (NASDAQ)

Number of Stores: (at fiscal year end)

1990	94	1987	27
1989	62	1986	18
1988	42		

Sales & Earnings

	Net Sales	Net Income
1990	$ 78,674,000	$ (1,661,000)
1989	57,659,000	1,388,000
1988	40,413,000	1,564,000
1987*	28,503,000	2,929,000
1986	20,421,000	369,000

	No. of Com. Shares	Earn. per Share ‡
1990	4,996,600	$ —
1989	4,996,600	0.28
1988	5,106,600	0.35
1987*+	4,000,000	0.40
1986	4,000,000	—

* 53 weeks
+ Reflects a pro forma adjustment to federal income tax to show the provision for income taxes the Company would have made if it were not an S Corporation.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 17,482,000	$ 3.50
1989	19,143,000	3.83
1988	18,428,000	3.61
1987	3,663,000	0.92
1986	2,450,000	0.61

Income Account

Year ended	1/27/90	1/28/89
Net sales	$ 78,674,000	$ 57,658,531
Cost of sales	56,671,000	38,621,983
Expenses	17,986,000	12,322,205
Depreciation & amortization	4,232,000	3,188,862
Other expense (income)	147,000	(41,356)
Interest expense	2,209,000	1,147,107
Inc. (loss) bef. taxes	$ (2,571,000)	$ 2,424,730
Income taxes (credit)	(910,000)	1,036,273
Net Income (Loss)	$ (1,661,000)	$ 1,388,457

Assets

As of	1/27/90	1/28/89
Cash	$ 558,000	$ 683,119
Accts. receiv., net	716,000	790,818
*Inventories	19,769,000	11,968,523
Inc. taxes refund.	1,709,000	532,175
Prepaid expenses	921,000	715,309
Current Assets	$ 23,673,000	$ 14,689,944
#Fixed assets	23,494,000	19,318,865
Other assets	700,000	663,993
Total Assets	$ 47,867,000	$ 34,672,802

Liabilities

Long-term debt, curr.	$ 242,000	$ 196,907
Accts. payable	5,991,000	1,409,524
Accruals	2,077,000	1,332,151
Curr. Liabilities	$ 8,310,000	$ 2,938,582
Long-term debt	21,526,000	12,254,380
Deferred inc. taxes	549,000	337,188
+Common stock	52,000	51,925
Add. paid-in capital	17,057,000	17,056,760
Retained earnings	1,568,000	3,228,842
Treasury stock	(1,195,000)	(1,194,875)
Total Liabilites & Shareholders' equity	$ 47,867,000	$ 34,672,802

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.21
%Net Income to Sales	—	2.41
%Net Income to Equity	—	7.25
Sales to Inventories	3.98	4.82
Debt to Equity	1.25	0.65
Working Capital	$ 15,363,000	$ 11,751,362
Current Ratio	2.85	5.00
Shareholders' Equity	$ 17,482,000	$ 19,142,652

Dillard Department Stores, Inc.

900 West Capitol Avenue
Little Rock, Arkansas 72201
(501) 376-5200
FAX: (501) 376 5917

Mailing Address:
Post Office Box 486
Little Rock, Arkansas 72203

Officers: William Dillard, chairman of the board & chief exec. officer; William Dillard, II, president & chief operating officer; E. Ray Kemp, vice chairman; Alex Dillard, exec. v.p.; Mike Dillard, exec. v.p.; James I. Freeman, v.p. & chief financial officer; James E. Darr, Jr., v.p., secretary & general counsel; Donald C. Bradley, vice president; G. Kent Burnett, vice president; Greg Athy, vice president; Wynelle Chapman, vice president; H. Gene Baker, vice president; Drue Corbusier, vice president; Randal L. Hankins, vice president; Leonard Butler, vice president; Charles E. Franzke, vice president; John A. Franzke, vice president; Daniel Demicell, vice president; Bernie Goldstein, vice president; Laurence J. Donoghue, vice president; T. R. Gastman, vice president; Mark Killingsworth, vice president; J. B. Wilson, vice presidnet; W. R. Appleby, vice president; Dominick E. Morvant, vice president; Harry D. Passow, vice president; J. W. Sherburne, vice president; David M. Doub, vice president; Dick Roberds, vice president; Burt Squires, vice president; Jan E. Bolton, vice president; Joe Brennan, vice president; A. B. Cannon, vice president; Michael Bowen, vice president; Kathryn Mayes, vice president; M. E. Ritchie, Jr., vice president; Michael McNiff, vice president; Joseph W. Story, vice president; John Hawkins, Steven K. Nelson.

Dillard Department Stores, Inc.

Directors: William Dillard, chairman; Will D. Davis, William Dillard, II, E. Ray Kemp, A. C. R. Dreesmann, Alex Dillard, Calvin N. Clyde, Jr., Michael Dillard, Anne M. McCarthy, B. Finley Vinson, James D. Berry, William B. Harrison, Jr., John H. Johnson, Robert C. Connor.

Business Activities: Operates Dillard's department stores in Arkansas, Tennessee, Texas, New Mexico, Oklahoma, Missouri, Nebraska, Kansas, Louisiana, Nevada, Arizona, Illinois, Alabama and Florida.

Subsidiary:

D.H. Holmes Company, Limited
819 Canal Street
New Orleans, Louisiana 70112
(504) 561-6611

Operates 18 department stores and two clearance centers in Alabama, Louisiana, Florida and Mississippi.

Transfer Agent(s):

Boatmen's Trust Company
P.O. Box 14737
St. Louis, Missouri 63178

Stock Exchange(s): New York

Ticker Symbol: DDS

Number of Stores: (at fiscal year end)

1990	162
1989	146
1988	135
1987	115
1986	101

Sales & Earnings

	Net Sales ‡	Net Income
1989*	$ 3,049,062,000	$ 148,092,000
1988	2,558,395,000	113,829,000
1987	2,206,347,000	91,223,000
1986	1,851,423,000	74,458,000
1985	1,601,357,000	66,903,000

	No. of Com. Shares #	Earn. per Share #
1989*	33,963,424	$ 4.36
1988	32,218,579	3.53
1987	32,190,424	2.83
1986	31,692,698	2.35
1985	29,206,490	2.29

* 53 weeks.
‡ Includes leased departments.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.18	—	—
1988	0.16	—	—
1987	0.14	—	—
1986	0.12	—	—
1985	0.105	—	2-for-1

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity +	Equity Per Share #
1989	$ 1,094,281,000	$ 30.68
1988	751,738,000	23.39
1987	642,946,000	20.00
1986	556,177,000	17.31
1985	361,893,000	12.42

+ After allowing for preferred stock at par value.
# Adjusted to reflect stock split.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 3,049,062,000	$ 2,558,395,000
Other income	110,482,000	97,056,000
Total income	$ 3,159,544,000	$ 2,655,451,000
Cost of sales	1,926,971,000	1,636,861,000
Expenses	779,402,000	648,036,000
Depreciation & amortization	85,706,000	73,347,000
Rentals	47,737,000	43,699,000
Interest & debt expense	91,836,000	80,979,000
Income before taxes	$ 227,892,000	$ 172,529,000
Income taxes	79,800,000	58,700,000
Net Income	$ 148,092,000	$ 113,829,000

Assets

As of	2/3/90	1/30/88
Cash & cash equiv.	$ 54,081,000	$ 41,467,000
Accts. receiv., net	749,489,000	644,933,000
*Inventories	716,054,000	527,931,000
Other curr. assets	6,723,000	5,793,000
Current Assets	$ 1,526,347,000	$ 1,220,124,000
Investments & other assets	48,110,000	42,717,000
#Fixed assets	897,847,000	787,210,000
Buildings under cap. leases	23,973,000	17,466,000
Total Assets	$ 2,496,277,000	$ 2,067,517,000

Liabilities

Long-term debt, curr.	$ 10,980,000	$ 20,385,000
Cap. lease oblig., curr.	1,668,000	1,283,000
Accts. payable & accruals	310,385,000	273,543,000
Commercial paper	158,827,000	221,035,000
Income taxes	38,773,000	24,415,000
Deferred inc. taxes	12,570,000	41,718,000
Curr. Liabilities	$ 533,203,000	$ 582,379,000
Long-term debt	739,597,000	620,956,000
Cap. lease oblig.	32,900,000	25,157,000
Deferred inc. taxes	95,856,000	86,847,000
+Preferred stock	440,000	440,000
++Common stock	44,743,000	40,340,000
Add. paid-in capital	416,031,000	219,851,000
Retained earnings	633,810,000	491,850,000
Treasury stock	(303,000)	(303,000)
Total Liabilities & Shareholders' Equity	$ 2,496,277,000	$ 2,067,517,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation & amortization.
+ $100 par value; 5% cumulative.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.47	6.74
%Net Income to Sales	4.86	4.45
%Net Income to Equity	13.53	15.13
Sales to Inventories	4.26	4.85
Debt to Equity	0.69	0.89
Working Capital	$ 993,144,000	$ 637,745,000
Current Ratio	2.86	2.10
Shareholders' Equity	$ 1,094,721,000	$ 752,178,000

Dollar General Corporation

One Burton Hills Boulevard
Suite 210
Nashville, Tennessee 37215
(615) 665-9102
FAX: (615) 665-1701

Administrative offices:
427 Beech Street
Scottsville, Kentucky 42164
(502) 237-5444

Officers: Cal Turner, Jr., chairman, president & chief exec. officer; Bob Carpenter, v.p., secretary & chief counsel; Michael Ennis, v.p.-merchandising; Leigh S. Stelmach, v.p.-merchandising; Donald F. Sizemore, v.p.-operations; Bruce Quinnell, v.p., treasurer & chief financial officer.

Directors: Cal Turner, Cal Turner, Jr., James Stephen Turner, James D. Cockman, John B. Holland, William S. Wire, II, James Clayton, Wallace N. Rasmussen.

Business Activities: Engaged in the sale of soft goods, housewares, health and beauty aids, and shoes through company-owned retail stores and at wholesale to affiliated retail stores. The company-owned stores are located in 23 states, with the strongest concentration in Florida, Kentucky and Tennessee. All are operated under the name "Dollar General Stores." Most of the 16 associated retail stores for which the company is wholesaler are operated pursuant to franchise agreements.

Transfer Agent(s):

Trust Company Bank
Corporate Trust Department
58 Edgewood
Atlanta, Georgia 30303

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DOLR (NASDAQ)

Number of Stores: (at fiscal year end)

1989	1,378
1988	1,307
1987	1,302
1986	1,303
1985	1,278

Sales & Earnings

	Net Sales	Net Income
1989	$ 615,148,000	$ 12,377,000
1988	612,985,000	10,015,000
1987	588,436,000	6,502,000
1986	564,782,000	4,318,000
1985	584,437,000	17,829,000

	No. of Com. Shares +	Earn. per Share #
1989	18,296,000	$ 0.68
1988	18,229,000	0.55
1987	18,489,000	0.35
1986	18,821,000	0.23
1985	18,796,000	0.95

+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	6-for-5

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 120,640,000	$ 6.59
1988	111,594,000	6.12
1987	109,455,000	5.92
1986	108,789,000	5.78
1985	107,955,000	5.74

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 615,148,000	$ 612,985,000
Cost of sales	434,419,000	438,833,000
Expenses	154,831,000	151,702,000
Interest expense	5,578,000	6,286,000
Income before taxes	$ 20,320,000	$ 16,164,000
Income taxes	7,943,000	6,149,000
Net Income	$ 12,377,000	$ 10,015,000

* Included in Costs and Expenses, Depreciation: $6,025,000 in 1989 and $5,986,000 in 1988.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 6,480,000	$ 5,727,000
*Inventories	140,366,000	170,995,000
Deferred inc. taxes	1,606,000	874,000
Other curr. assets	6,717,000	5,019,000
Current Assets	$ 155,169,000	$ 182,615,000
#Fixed assets	32,931,000	22,574,000
Other assets	5,690,000	5,138,000
Total Assets	$ 193,790,000	$ 210,327,000

Liabilities

Long-term debt, curr.	$ 7,827,000	$ 794,000
Accts. payable	22,051,000	33,703,000
Accruals	14,093,000	13,765,000
Income taxes	1,091,000	4,178,000
Curr. Liabilities	$ 45,062,000	$ 52,440,000
Long-term obligation	26,824,000	45,641,000
Deferred inc. taxes	1,264,000	652,000
+Common stock	11,070,000	11,070,000
Add. paid-in capital	21,602,000	21,276,000
Retained earnings	94,490,000	85,770,000
Treasury stock	(6,522,000)	(6,522,000)
Total Liabilites & Shareholders' Equity	$ 193,790,000	$ 210,327,000

* At cost (LIFO) using the retail method, which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.30	2.64
%Net Income to Sales	2.01	1.63
%Net Income to Equity	10.26	8.97
Sales to Inventories	4.38	3.58
Debt to Equity	0.29	0.42
Working Capital	$ 110,107,000	$ 130,175,000
Current Ratio	3.44	3.48
Shareholders' Equity	$ 120,640,000	$ 111,594,000

The Dress Barn, Inc.

88 Hamilton Avenue
Stamford, Connecticut 06902
(203) 327-4242
FAX: (203) 359-4458

Officers: Elliot S. Jaffe, chairman, president & chief exec. officer; Burt Steinberg, president; Roslyn S. Jaffe, v.p.; Michael Palmer, sr. v.p.-finance & asst. secretary; Eric Hawn, sr. v.p.-stores; Reid Hackney, controller; Charles Wichtendahl, v.p.; Arthur Ziluck, v.p.; Elise Jaffe, v.p.; Corinne Safleety, divisional merchandise mgr.; Donna Desmond, divisional merchandise manager.

Directors: Elliot S. Jaffe, chairman of the board; Roslyn S. Jaffe, Saul Kwartin, Lionel M. Levey, Michael Palmer, Burt Steinberg.

Business Activities: Operates a chain of 408 off-price women's apparel stores in 27 states, principally under the name "Dress Barn."

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
Edison, New Jersey 08818

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBRN (NASDAQ)

Number of Stores: (at fiscal year end)

1989	408	1986	208
1988	335	1985	156
1987	263		

Sales & Earnings

	Net Sales	Net Income
1989	$ 249,201,039	$ 18,935,690
1988*	204,968,135	15,832,105
1987	173,670,681	12,907,555
1986	135,827,743	9,160,509
1985	103,015,625	5,303,250

	No. of Com. Shares ‡	Earn. per Share ‡
1989	22,281,705	$ 0.85
1988*	22,223,884	0.71
1987	22,172,271	0.58
1986	22,057,078	0.42
1985	22,001,906	0.24

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	2-for-1
1986	—	—	5-for-2
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 75,985,457	$ 3.41
1988	55,982,342	2.52
1987	39,779,218	1.79
1986	26,192,556	1.19
1985	16,732,762	0.76

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	7/29/89 (53 weeks)	7/25/87
Net sales	$ 249,201,039	$ 204,968,135
Cost of sales	151,338,747	123,905,874
Expenses	70,343,796	57,411,006
Interest income	(2,226,194)	(1,389,850)
Income before taxes	$ 29,744,690	$ 25,041,105
Income taxes	10,809,000	9,209,000
Net Income	$ 18,935,690	$ 15,832,105

* Included in Costs and Expenses, Depreciation and Amortization: $3,683,777 in 1989 and $2,609,550 in 1988.

Assets

As of	7/29/89	7/30/88
Cash & cash equiv.	$ 2,021,769	$ 15,137,921
Investments	29,843,839	11,105,780
*Inventories	36,838,733	29,652,417
Prepaid expenses	2,172,498	949,053
Current Assets	$ 70,876,839	$ 56,845,171
#Fixed assets	29,404,101	21,516,320
Other assets	836,047	867,561
Total Assets	$ 101,116,987	$ 79,229,052

Liabilities

Accts. payable	$ 16,123,067	$ 14,907,973
Accruals	4,446,828	5,106,769
Customer credits	1,388,200	1,565,800
Income taxes	1,401,189	—
Curr. Liabilities	$ 23,359,284	$ 21,580,542
Deferred inc. taxes	1,772,246	1,666,168
+Common stock	1,119,697	1,112,680
Add. paid-in capital	5,668,717	4,608,309
Retained earnings	69,197,043	50,261,353
Total Liabiliites & Shareholders'Equity	$ 101,116,987	$ 79,229,052

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.94	12.22
%Net Income to Sales	7.60	7.72
%Net Income to Equity	24.92	28.28
Sales to Inventories	6.76	6.91
Working Capital	$ 47,517,555	$ 35,264,629
Current Ratio	3.03	2.63
Shareholders' Equity	$ 75,985,457	$ 55,982,342

Dylex Limited

637 Lake Shore Boulevard West
Toronto, Ontario, M5V 1A8, Canada
(416) 586-7000
FAX: (416) 586-7086

Officers: Wilfred Posluns, chairman, president & chief exec. officer; Irving Posluns, exec. vice president & treasurer; Kenneth Axelrod, v.p.-manufacturing; Gordon Edelstone, exec. v.p.-men's wear; Gunter Leverenz, v.p.-distribution; Irving Levine, exec. v.p.-women's wear; Sydney Loftus, exec. v.p.- Dylex Real Estate; Paul Mancini, v.p.-manufacturing; Lionel Robins, exec. v.p.-men's wear; Donald J. Evans, exec. v.p.-men's wear; Norman Shaw, v.p.-M.I.S.; Donald Williams, chief financial officer, v.p. & secretary; David Beiles, v.p.-corp. development; Carol Cox, v.p.-human resources; Vince Nitti, v.p.-retail development; Eric Paul, exec. v.p.-family stores; Irving Teitelbaum, exec. v.p.-women's wear; David Wolpin, v.p.-Paulman Apparel.

Directors: Kenneth Axelrod, D. W. Casey, J. F. Kay, S. F. Kay, David Korn, Irving Levine, Sydney Loftus, Irving Posluns, Richard Posluns, Wilfred Posluns, Lionel Robins, Harry Rosen, S. M. Sigel, W. H. Singer, H. J. Stitt, Henry Zagdanski, A. H. Zaldin, Irving Teitelbaum, Gordon Edelstone, Donald J. Evans, Russell Jacobson, Donald A. Williams, Wendy Posluns.

Business Activities: Engaged in the specialty merchandising of apparel with women's, men's and family retail clothing stores located throughout Canada. Stores operate under such names as Fairweather/Daniel Hechter, Big Steel Man, Braemar, Ruby's, Suzy Shier/L.A. Express, Tip Top, Harry Rosen, Thrifty's, T. Edwards, B. H. Emporium, Club Monaco, Alfred Sung, and Bi-Way. Manufactures women's and children's coats and dresses marketed under such brand names as "Young Canadian", "Thunder Bay", "Picknit", and "Nu Mode", men's and women's sweaters and men's casual clothing. Dylex holds a 50% interest in Town & Country, a chain of sports and casual women's wear stores, and a 48.5% interest in Drug World, which operates six drug stores in Ontario, Canada.

Dylex Limited

In the U.S., the Company operates Wet Seal and Foxmoor young women's apparel stores, Club International men's clothing stores, and NBO off-price clothing stores.

Divisions and Subsidiaries:

Manchester Clothing
9494 St. Laurent Boulevard
Montreal, Quebec H2N 1P4
Specializes in the manufacture of women's coats.

National Knitting Mills Company
1485 Dupont Street
Toronto, Ontario M6P 3S2
Manufactures men's and women's sweaters.

San Remo Knitting Mills Inc. (75% owned)
5333 Casgrain Street
Montreal, Quebec H3T 1X3
Manufactures men's casual clothing.

Forsyth Trading Company (26.67% interest)
36 Horner Avenue
Toronto, Ontario M8Z 5Y1

Irving Posluns' Outerwear
637 Lakeshore Boulevard West
Toronto, Ontario M5V 1A8
Coat manufacturers.

Nu Mode Dress (75% owned)
530 Adelaide Street West
Toronto, Ontario M5V 2K7
Manufactures women's dresses.

Paulman International Apparel Ltd. (75% owned)
955 Weston Road
Toronto, Ontario M6N 3R4

Shane Knit Ltd. (50% owned)
456 Alliance Avenue
Toronto, Ontario M6N 212
Manufactures men's and women's sweaters.

Suzy Shier Inc. (50.1% owned)
1604 St. Regis Boulevard
Dorval, Quebec H9P 1H6

Big Steel Man
637 Lakeshore Blvd. West
Toronto, Ontario

Bi-Way Stores Limited
Scarborough, Ontario M1S 3M7

Braemar/Petites (75% owned)
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Town & Country/Petites
4100 Weston Road
Toronto, Ontario M9L 2Y6

Fairweather
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

NBO Stores, Inc.
60 Enterprise Avenue
Secaucus, New Jersey

Harry Rosen Inc. (51% owned)
111 Richmond Street West
Toronto, Ontario M5H 2G4

Weston Apparel & Target Apparel
(Integrated Manufacturing)
965 Weston Road
Toronto, Ontario M6N 3R4

Thrifty's
637 Lake Shore Blvd. W.
Toronto, Ontario M5V 1A8

Tip Top Tailors
637 Lakeshore Blvd., West
Toronto, Ontario M5V 1A8

T. Edwards
(48.5% interest)
000016500100001NDivisions and Subsidiaries:

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: DLX

Number of Stores: (at fiscal year end)

1989	1,505	1986	2,822
1988	1,984	1985	2,680
1987	1,994		

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1989	$ 1,718,300	$ (60,700)
1988	1,444,700	29,800
1987	1,299,800	(117,800)
1986	1,208,600	26,200
1985	1,082,100	46,800

	No. of Com. Shares #	Earn. per Share ‡ #
1989	47,378,000	$ —
1988	47,275,000	0.63
1987	47,067,000	—
1986	46,915,000	0.56
1985	46,689,000	1.00

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $1,100,000 ($0.02 per share) in 1986.
# Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Retail	$ 1,658,339	$ 1,383,656
Manufacturing	79,640	77,791
Total	$ 1,737,979	$ 1,461,447

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.19	—	3-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 307,301,000	$ 6.49
1988	369,184,000	7.81
1987	355,052,000	7.54
1986	336,617,000	7.18
1985	269,031,000	5.76

‡ Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Income Account
(000's)

Year ended	2/3/90	1/28/89
Net sales	$ 1,718,265	$ 1,444,738
Cost of sales	1,600,264	1,308,898
Depreciation & amortization	38,506	31,189
Amort. of goodwill	1,238	998
Interest expense	40,758	34,968
Interest income	(11,354)	(10,603)
Income before taxes	$ 48,853	$ 79,288
Income taxes	23,340	37,183
Invest. in assoc. cos.	1,674	(1,036)
Minority interest	6,733	3,882
Inc.-cont. oper.	$ 17,106	$ 39,259
Loss-discont. oper.	(77,807)	(9,474)
Net Income (Loss)	$ (60,701)	$ 29,785

Assets
(000's)

As of	2/3/90	1/28/89
Cash & short-term investments	$ 133,888	$ 202,330
Accts. receiv., net	24,136	43,400
*Inventories	274,945	204,225
Prepaid expenses	8,810	3,785
Recov. inc. taxes	3,574	—
Notes & other invest.	508	2,913
Current Assets	$ 445,861	$ 456,653
Investments	32,507	80,044
#Fixed assets	110,053	79,628
Leased assets under cap. leases	97,025	78,314
Deferred inc. taxes	6,927	—
Intangibles	49,036	47,963
Total Assets	$ 741,409	$ 742,602

Liabilities
(000's)

Long-term debt, curr.	$ 409	$ 1,858
Oblig. under cap. leases, curr.	21,756	17,957
Accts. payable	161,087	151,099
Income and other taxes	6,037	9,948
Curr. liabilities	$ 189,289	$ 180,862
Long-term debt	137,587	107,969
Oblig. under cap. leases	78,511	62,262
Def. for. exch. gain	1,702	2,392
Minority interest	27,019	[illegible]
Deferred inc. taxes	—	[illegible]
Convertible debentures	153,875	[illegible]
+Common stock	1,687	[illegible]
++Class A stock	92,853	[illegible]
+++Class C stock	51,495	[illegible]
Add. paid-in capital	1,389	1,412
Exch. trans. adjust.	(7,952)	(14,747)
Retained earnings	13,954	84,109
Total Liabilites & Shareholders' Equity	$ 741,409	$ 742,602

* At lower of cost and net realizable value less normal profit margins. Mfg. inventories at lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.
++ No par value; non-voting, participating preference shares.
+++ No par value; 5% cumulative redeemable, non-participating, convertible, non-voting preference shares.

Statistical Summary

%Net Income to Equity	—	8.07
Sales to Inventories	6.25	7.07
Debt to Equity	0.78	0.51
Working Capital	$ 256,572,000	$ 275,791,000
Current Ratio	2.36	2.52
Shareholders' Equity	$ 307,301,000	$ 369,184,000

E&B Marine Inc.

201 Meadow Road
P.O. Box 747
Edison, New Jersey 08818
(201) 819-7400
FAX: (201) 819-4771

Officers: Richard E. Kroon, chairman of the board; Kenneth Lever, president & chief executive officer; Sam B. Slade, Jr., sr. v.p., chief financial officer & treasurer; Randall S. Uner, sr. v.p.-retail stores; Robert Defonte, sr. v.p. & secretary; Richard Goldberg, v.p.-advertising; Daniel B. Morris, controller & asst. treasurer; Joseph M. Cabon, v.p.-distribution; Jack Howie, v.p.-real estate & construction.

Directors: Richard E. Kroon, chairman of the board; Kenneth Lever, Jack W. Eugster, Bradford R. Klatt, Theodore A. Pamperin, Jon R. Stone, John H. Weiland, Edward A. Strobin.

Business Activities: Operates 50 retail outlets in 14 eastern states. These outlets sell marine supplies and accessories, for the recreational boating market, and operate under the names "E&B Marine," "Bliss Marine," and "Goldbergs' Marine." The Company also sells marine merchandise through direct mail.

Subsidiaries:

Goldbergs' Marine, Inc.
James Bliss & Co., Inc.
E&B Marine Supply Inc.
Central Marine Supply Inc.
SeaRanger

Acquisition:

Suncoast Marine Distributors, Inc.
A 10 store retail chain located in the southeastern United States under the Boatgear name.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: EBMI (NASDAQ)

Number of Stores: (at fiscal year end)

1989	50	1986	31
1988	31	1985	25
1987	30		

Sales & Earnings

	Net Sales	Net Income #
1989	$ 93,449,000	$ 5,078,000
1988	88,621,000	(14,790,000)
1987	84,512,000	(4,904,000)
1986	80,524,000	(1,661,000)
1985	56,374,000	1,301,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	10,157,000	$ 0.50
1988	2,000,000	—
1987	1,986,000	—
1986	1,980,000	—
1985	2,065,000	0.63

(Loss)
# Including extraordinary gain of $4,773,000 ($0.47 per share) in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 7,634,201	$ 0.75
1988	(8,869,000)	—
1987	5,678,000	2.86
1986	10,467,000	5.29
1985	11,955,000	5.79

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 93,449,341	$ 88,621,164
Cost of sales	58,060,603	55,691,427
Expenses	32,100,685	34,486,008
Depreciation & amortization	1,720,967	2,795,222
Restruc. of operations	—	2,302,933
Write-off of exc. of cost over assets acq.	—	5,359,297
Interest income	(145,058)	(132,091)
Interest expense	1,327,144	2,908,365
Inc. (loss) bef. taxes	$ 385,000	$ (14,789,997)
Income taxes	80,000	—
Net Income (Loss)	$ 305,000	$ (14,789,997)
Extraord. gain	4,773,000	—
Net Income (Loss) & extraord. gain	$ 5,078,000	$ (14,789,997)

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,230,019	$ 496,550
Accts. receiv., net	1,286,359	1,099,941
*Inventories	17,682,112	17,358,552
Prepaid expenses	788,740	1,209,410
Other curr. assets	255,993	198,342
Current Assets	$ 23,243,223	$ 20,362,795
#Fixed assets	4,707,926	4,171,148
Customer lists	2,007,087	2,482,983
Exc. of cost over assets acq.	2,166,501	2,230,101
Other assets	860,008	1,302,316
Total Assets	$ 32,984,745	$ 30,549,343

Liabilities

Revolving line of credit	$ —	$ 600,000
Long-term debt, curr.	1,394,500	64,092
Accts. payable & accruals	10,677,786	12,853,574
Curr. Liabilities	$ 12,072,286	$ 13,517,666
Revolving line of credit	—	10,000,000
Long-term debt	13,098,258	15,720,425
Other liabilities	180,000	180,000
+Common stock	122,235	23,448
Add. paid-in capital	21,328,717	10,091,305
Retained earnings (deficit)	(9,984,234)	(15,062,234)
Treasury stock	(3,344,392)	(3,344,392)
Value assigned to unearned comp.	(488,125)	(576,875)
Total Liabilities & Shareholders' Equity	$ 32,984,745	$ 30,549,343

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.41	—
%Net Income to Sales	0.33	—
%Net Income to Equity	4.00	—
Sales to Inventories	5.28	5.11
Debt to Equity	1.90	—
Working Capital	$ 11,170,937	$ 6,845,129
Current Ratio	1.93	1.51
Shareholders' Equity (Deficiency)	$ 7,634,201	$ (8,868,748)

Edison Brothers Stores, Inc.

501 North Broadway
P.O. Box 14020
St. Louis, Missouri 63178
(314) 331-6000
FAX: (314) 436-2003

Officers: Andrew E. Newman, chairman of the board; Martin K. Sneider, president; Alan A. Sachs, v.p. & secretary; G. Richard Oscarson, vice president-real estate; Michael H. Freund, vice president-administration; Walter H. Heinecke, vice president-real estate; Arthur J. Hollenbach, vice president-traffic manager; George M. Spreiser, vice president-distribution centers; Lee G. Weeks, vice president-finance; Norman Gold, vice president-controller; Jerald M. Alton, vice president-asst. secretary; Thomas K. McCain, vice president-taxes; Joe C. Brown, vice president-real estate; Mark I. Litow, vice president-legal; Roger L. Koehnecke, vice president-information systems; Eric A. Freesmeier, vice president-human resources; Richard J. Allan, vice president; Paulette Crawford, vice president; William J. Young, vice president; Robert Sterneck, v.p.; Benjamin T. Allen, asst. v.p.; Paul J. Goldak, asst. v.p.; Mark Blackwell, asst. v.p.; Theodore E. Fanter, asst. v.p.; Mark Brown, asst. v.p.; Thomas M. Feiner, asst. v.p.; Peter Edison, asst. v.p.; Sharon Hesse, asst. v.p.; Mary Beth Tevis, asst. v.p.; James C. Blair, asst. v.p.; Barbara H. Lageson, asst. v.p.; Elisabeth Y. Merenda, asst. v.p.; Kenneth C. Vaught, asst. v.p.; Kim E. Abel, asst. v.p.; Celia Eisen, asst. v.p.; Debra G. Pregler, asst. v.p..

Directors: Julian I. Edison, Peter A. Edison, Eric P. Newman, Henry Kohn, Jane Evans, Lee G. Weeks, Andrew E. Newman, Alan A. Sachs, Darryl R. Francis, Martin Sneider, Craig D. Schnuck, Michael H. Freund, Peter J. Solomon, Karl W. Michner.

Business Activities: Operates women's shoe stores under the names Chandlers, Bakers, Leeds, Burts, Sacha London and The Wild Pair; also operates leased shoe departments; operates Jeans West, Oak Tree, J. Riggings, Coda, and Rothschilds Big & Tall men's apparel stores; Joan Bari accessories boutiques; and Dave and Busters restaurant/entertainment complexes.

Transfer Agent(s):

Mellon Securities Trust Company
New York, New York 10271

Stock Exchange(s): New York

Ticker Symbol: EBS

Number of Stores: (at fiscal year end)

1989	2,325	1986	2,475
1988	2,347	1985	2,435
1987	2,514		

Sales & Earnings

	Net Sales	Net Income ‡
1989*	$ 1,073,500,000	$ 56,900,000
1988	918,600,000	36,300,000
1987	931,000,000	(12,200,000)
1986*	904,200,000	33,900,000
1985	808,380,000	27,000,000

	No. of Com. Shares #	Earn. per Share ‡ #
1989*	20,151,000	$ 2.82
1988	19,968,000	1.82
1987	19,838,000	—
1986*	20,190,000	1.68
1985	20,290,000	1.33

(Loss)
* 53 weeks.
‡ Including extraordinary loss of $4,300,000 ($0.22 per share) in 1989.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Footwear	$ 479,200,000	$ 459,600,000
Apparel	594,300,000	459,000,000
Total	$ 1,073,500,000	$ 918,600,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.935	—	2-for-1
1988	0.90	—	—
1987	0.90	—	—
1986	0.80	—	—
1985	0.80	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 243,500,000	$ 12.02
1988	212,900,000	10.62
1987	193,300,000	9.75
1986	224,900,000	11.31
1985	215,900,000	10.63

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/3/90	12/31/88
Net sales	$ 1,073,500	$ 918,600
Cost of sales	687,200	591,900
Expenses	277,000	256,500
Restruc. costs (gains)	—	(1,800)
Interest expense	11,800	11,800
Income before taxes	$ 97,500	$ 60,200
Income taxes	36,300	23,900
Net Income	$ 61,200	$ 36,300
Extraord. loss	4,300	—
Net Income & extraord. loss	$ 56,900	$ 36,300

* Included in Costs and Expenses, Depreciation and Amortization: $33,200,000 in 1989 and $31,100,000 in 1988.

Assets
(000's)

As of	2/3/90	12/31/88
Cash & short-term invest.	$ 20,000	$ 100,900
*Inventories	188,900	143,400
Def. inc. taxes	12,900	17,900
Prepaid expenses	15,000	12,200
Other curr. assets	13,600	15,200
Current Assets	$ 250,400	$ 289,600
#Fixed assets	206,700	178,900
Intangibles	49,500	18,300
Prepaid pension expense	24,200	23,900
Other assets	2,300	2,000
Total Assets	$ 533,100	$ 512,700

Liabilities
(000's)

Notes pay. & comm. paper	$ 58,100	$ —
Accts. payable	68,000	62,900
Payroll & vacations	12,500	13,100
Income taxes	13,600	21,400
Other taxes	8,600	13,700
Phaseout reserves	14,700	17,500
Other curr. liabilities	15,500	16,300
Curr. Liabilities	$ 191,000	$ 144,900
Long-term debt	51,500	102,200
Deferred inc. taxes	21,600	26,500
Other liabilities	25,500	26,200
+Common stock	20,200	10,000
Add. paid-in capital	1,300	1,200
Retained earnings	222,000	201,700
Total Liabilities & Shareholders' Equity	$ 533,100	$ 512,700

* 54% at lower of cost (FIFO) or market on the retail method; 46% at lower of cost (average) or market based on anticipated realizable values.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.36	6.55
%Net Income to Sales	5.30	3.95
%Net Income to Equity	23.37	17.05
Sales to Inventories	5.68	6.41
Debt to Equity	0.45	0.48
Working Capital	$ 59,400,000	$ 144,700,000
Current Ratio	1.31	2.00
Shareholders' Equity	$ 243,500,000	$ 212,900,000

Egghead, Inc.

22011 S.E. 51st Street
P.O. Box 7004
Issaquah, Washington 98027
(206) 391-0880
FAX: (206) 391-1446

Officers: Stuart M. Sloan, chairman, president & chief executive officer; Ronald A. Weinstein, exec. v.p.-merchandising; Matthew J. Griffin, exec. v.p.-operations; Larry Foster, sr. v.p.-new products; Carolyn J. Tobias, sr. v.p. & chief financial officer; Norman Behar, sr. v.p.-direct sales; Dennis Zook, sr. v.p.-store operations; Rodney W. Brooks, v.p.-marketing; R. J. Henely, v.p.-real estate; Elaine P. Scherba, v.p. & treasurer; M. Carol Lewis, v.p.-administration; James E. Smith, v.p.-human resources.

Directors: Stuart M. Sloan, Paul G. Allen, Ronald P. Erickson, William S. Field, Matthew J. Griffin, Steven E. Lebow, George P. Orban, Herman Sarkowsky, Samuel N. Stroum, Ronald A. Weinstein.

Business Activities: Egghead Discount Software sells personal computer software, peripherals, and accessories to individuals and businesses through 191 retail stores, 24 direct sales offices and three distribution centers in the United States and Canada.

Subsidiaries:

DJ&J Software Corporation
Eggspert Software, Ltd.

Transfer Agent(s):

First Interstate Bank, Ltd
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EGGS (NASDAQ)

Number of Stores: (at fiscal year end)

1990	191
1989	196
1988	112
1987	47
1986	19

Sales & Earnings

	Net Sales	Net Income
1990	$ 456,342,000	$ (7,666,000)
1989	342,427,000	(12,089,000)
1988*	201,096,000	4,624,000
1987	77,568,000	1,974,000
1986	26,598,000	(669,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1990	16,275,000	$ —
1989	15,052,000	—
1988*	10,417,000	0.44
1987	8,261,000	0.24
1986	4,260,900	—

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 98,436,000	$ 6.05
1989	105,403,000	7.00
1988	5,508,000 †	0.53
1987	1,099,000 †	0.13

† After allowing for preferred stock at liquidation values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	3/31/90	4/1/89
Net sales	$ 456,342	$ 342,427
Cost of sales	376,302	279,759
Expenses	78,394	68,537
Depreciation & amortization	6,049	3,721
Interest expense	1,106	469
Interest income	(96)	(865)
Loss on dispos. of assets	1,489	5,013
Other expense	178	160
Loss bef. taxes	$ (7,080)	$ (14,367)
Income taxes (credit)	586	(2,895)
Cum. effect of acct. change	—	617
Net Income (Loss)	$ (7,666)	$ (11,472)

Assets
(000's)

As of	3/31/90	4/1/89
Cash	$ 4,116	$ 5,800
Accts. receiv., net	46,910	45,328
Inc. tax refund	148	4,923
*Inventories	93,126	72,067
Prepaid expenses	3,655	6,052
Deferred tax benefit	675	—
Current Assets	$ 148,630	$ 134,170
#Fixed assets	20,523	24,897
Other assets	755	858
Total Assets	$ 169,908	$ 159,925

Liabilities
(000's)

Bank loans	$ 12,000	$ —
Outstanding checks	12,213	7,304
Cap. lease oblig., curr.	23	346
Accts. payable	35,598	37,467
Accruals	9,162	8,089
Income taxes	710	—
Curr. Liabilities	$ 69,706	$ 53,206
Cap. lease oblig.	48	71
Deferred rent	1,718	1,245
+Common stock	164	162
Add. paid-in capital	112,620	111,901
Retained earnings (deficit)	(14,348)	(6,660)
Total Liabilities & Shareholders' Equity	$ 169,908	$ 159,925

* At lower of cost (moving weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	4.90	4.75
Debt to Equity	0.25	—
Working Capital	$ 78,924,000	$ 80,964,000
Current Ratio	2.13	2.52
Shareholders' Equity	$ 98,436,000	$ 105,403,000

Evans, Inc.

36 South State Street
Chicago, Illinois 60603
(312) 855-2000
FAX: (312)

Officers: David Meltzer, chairman of the board; Leonard Levey, president & chief exec. officer; Robert K. Meltzer, exec. v.p. & general merchandise manager; Patrick J. Regan, v.p.-finance & treasurer; Randall Barteris, v.p.-marketing; Samuel B. Garber, v.p. secretary & general counsel; William E. Koziel, controller.

Directors: D. B. Meltzer, chairman; Leonard Levey, Robert K. Meltzer, David B. Heller, Harold Sussman, Burton L. Gordon, Edmond D. Cicala.

Business Activities: A retailer of fur apparel, cloth coats and suits, dresses, sportswear and related items and services. Fur apparel is carried in all 26 company-owned stores, while women's ready-to-wear apparel is only carried in eleven of the twelve Chicago area stores. Company stores are located in Metropolitan Chicago, Austin, Dallas, Fort Worth, San Antonio, Houston, New Orleans, Oklahoma City and Washington D.C. areas. In addition, the company leases fur salons in 130 locations from 13 major department stores.

Transfer Agent(s):

First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EVAN (NASDAQ)

Number of Stores:* (at fiscal year end)

1989	26	1986	25
1988	28	1985	22
1987	27		

*Company-owned and -operated stores only.

Sales & Earnings

	Net Sales ‡	Net Income
1990	$ 151,193,000	$ (10,442,000)
1989	148,029,000	(3,792,000)
1988	147,765,000	(903,000)
1987	156,635,000	2,090,000
1986	147,644,000	1,733,000

	No. of Com. Shares #	Earn. per Share #
1990	4,918,436	$ —
1989	4,934,620	—
1988	4,921,864	—
1987	4,518,213	0.46
1986	3,969,571	0.44

(Loss)
‡ Includes service and other revenues.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.02	—	—
1987	0.04	—	—
1986	0.03	—	9-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 37,616,000	$ 7.65
1989	48,081,000	9.77
1988	51,885,000	10.54
1987	52,706,000	10.74
1986	37,277,000	9.44

Adjusted to reflect stock split.

Income Account*
(000's)

Year ended	3/3/90	2/25/89
Net sales	$ 134,501	$ 133,125
Other income	16,692	14,904
Total income	$ 151,193	$ 148,029
Cost of sales	103,325	99,310
Expenses	51,219	50,170
Prov. for doubt. accts.	943	705
Interest expense	3,277	3,590
Other income	(276)	(1,073)
Reorg. costs	5,839	1,988
Loss before taxes	$ (13,134)	$ (6,661)
Tax credit	(2,692)	(2,869)
Net Loss	$ (10,442)	$ (3,792)

* Included in Costs and Expenses, Depreciation and Amortization: $2,773,000 in 1990 and $2,696,000 in 1989.

Assets
(000's)

As of	3/3/90	2/25/89
Cash & cash equivalents	$ 7,359	$ 12,255
Receiv., net	27,297	29,951
*Inventories	23,066	27,503
Prepaid expenses	1,304	2,525
Refund. inc. taxes	1,999	1,795
Def. inc. taxes	—	2,261
Current Assets	$ 61,025	$ 76,290
#Fixed assets	16,874	18,864
Other assets	3,417	3,412
Total Assets	$ 81,316	$ 98,566

Liabilities
(000's)

Long-term debt, curr.	$ 1,503	$ 2,013
Accts. payable	8,133	11,094
Accruals	10,557	9,216
Curr. Liabilities	$ 20,193	$ 22,323
Long-term debt	22,669	23,326
Other liabilities	838	4,836
+Common stock	1,267	1,267
Add. paid-in capital	15,660	15,660
Retained earnings	25,287	35,729
Treasury stock	(4,598)	(4,575)
Total Liabilities & Shareholders' Equity	$ 81,316	$ 98,566

* At lower of cost or market. Cost is determined by specific identification for furs and on the retail method (FIFO) for other inventories.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	5.83	4.84
Debt to Equity	0.64	0.53
Working Capital	$ 40,832,000	$ 53,967,000
Current Ratio	3.02	3.42
Shareholders' Equity	$ 37,616,000	$ 48,081,000

Fabri-Centers of America, Inc.

23550 Commerce Park Road
Beachwood, Ohio 44122
(216) 656-2600
FAX: (216) 656-3057

Officers: Martin Rosskamm, chairman; Alan Rosskamm, president & chief executive officer; James Monro, Jr., exec. v.p.; Robert Norton, exec. v.p. & chief financial officer; John Stec, sr. v.p.-real estate; Alma Zimmerman, senior v.p.; Justin Zimmerman, senior v.p.; Paul Lechner, sr. v.p.-store operations; Betty Rosskamm, secretary & treasurer; Frederick Johnson, v.p.-management information systems; Jane Aggers, v.p.-merchandising; Peter EL-Gindi, v.p.-facilities; Donna Halpin, v.p.-sales promotion; Elizabeth Geurink, v.p.-sales promotion; Joseph Williams, v.p. & controller; Ellen Kelly, v.p.-human resources; Richard Grice, v.p.-logistics; Tim Hopkins, president-Cargo Express.

Directors: Sidney Dworkin, Alan Rosskamm, Betty Rosskamm, Joseph H. Thomas, Alma Zimmerman, Justin Zimmerman, Robert Norton, Scott S. Cowen, Martin Rosskamm, Samuel J. Krasney, James Monro, Jr..

Business Activities: Operates a chain of retail fabric stores, primarily under the names Jo-Ann Fabrics, Best Fabric Outlet, and House of Fine Fabrics, in 35 states and the District of Columbia. Company outlets sell a wide variety of fashion and decorator fabrics, sewing notions, patterns and related accessories. The Company also operates 12 Cargo Express stores, which retail glassware, tableware and housewares.

Transfer Agent(s):

AmeriTrust Company, National Association
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: FCA

Number of Stores: (at fiscal year end)

1990	615	1987	669
1989	638	1986	670
1988	653		

Sales & Earnings

	Net Sales	Net Income
1990	$ 333,347,000	$ 8,760,000
1989	290,862,000	5,093,000
1988	266,676,000	(4,909,000)
1987	239,352,000	1,798,000
1986	233,153,000	1,034,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,164,403	$ 1.70
1989	5,032,423	1.01
1988	5,006,774	—
1987	4,980,392	0.36
1986	5,062,701	0.20

(Loss)
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Fabric	$ 323,352,000	$ 281,428,000
Housewares	9,995,000	9,434,000
Total	$ 333,347,000	$ 290,862,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.14	—	—
1987	0.28	—	—
1986	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 68,226,000	$ 13.51
1989	59,552,000	11.76
1988	54,257,000	10.83
1987	59,727,000	11.99
1986	60,057,000	11.86

Income Account *

Year ended	1/27/90	1/28/89
Net sales	$ 333,347,000	$ 290,862,000
Cost of sales	182,244,000	159,965,000
Expenses	132,631,000	119,981,000
Interest expense	4,335,000	2,962,000
Income bef. taxes	$ 14,137,000	$ 7,954,000
Income taxes	5,377,000	2,861,000
Net Income	$ 8,760,000	$ 5,093,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,883,000 in 1990 and $4,499,000 in 1989.

Assets

As of	1/27/90	1/28/89
Cash	$ 5,046,000	$ 6,615,000
Receiv., net	719,000	1,333,000
Short-term notes receiv.	10,188,000	—
*Inventories	107,939,000	97,933,000
Prepaid expenses	3,973,000	2,961,000
Def. inc. taxes	1,457,000	1,649,000
Current Assets	$ 129,322,000	$ 110,491,000
# Fixed assets	26,412,000	22,392,000
Other assets	2,092,000	1,670,000
Total Assets	$ 157,826,000	$ 134,553,000

Liabilities

	1/27/90	1/28/89
Long-term debt, curr.	$ 6,639,000	$ 879,000
Accts. payable	37,403,000	37,680,000
Accruals	9,810,000	8,629,000
Income taxes	4,413,000	2,145,000
Curr. Liabilities	$ 58,265,000	$ 49,333,000
Long-term debt	28,600,000	23,043,000
Deferred inc. taxes	2,567,000	2,367,000
Other long-term liabilities	168,000	258,000
+Common stock	511,000	508,000
Add. paid-in capital	16,682,000	16,421,000
Other capital	(774,000)	(940,000)
Retained earnings	52,476,000	43,716,000
Treasury stock	(669,000)	(153,000)
Total Liabilities & Shareholders' Equity	$ 157,826,000	$ 134,553,000

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1/27/90	1/28/89
%Income bef. Taxes to Sales	4.24	2.73
%Net Income to Sales	2.63	1.75
%Net Income to Equity	12.84	8.55
Sales to Inventories	3.09	2.97
Debt to Equity	0.52	0.40
Working Capital	$ 71,057,000	$ 61,158,000
Current Ratio	2.22	2.24
Shareholders' Equity	$ 68,226,000	$ 59,552,000

Fabricland, Inc.

2035 N.E. 181st Avenue
Portland, Oregon 97230
(503) 666-4511
FAX: (503) 661-2871

Officers: Tony J. Bosboom, president & chief executive officer; Ronald E. Westcott, v.p.-purchasing; Laurie M. Harsh, v.p.-retail sales; Myron C. Parry, v.p.-real estate & operations; Douglas Caudell, controller.

Directors: Tony J. Bosboom, Jacques B. Nichols, A. Ellis Hudspeth, Myron C. Parry.

Business Activities: Wholesalers and retailers of domestic and imported fabrics, sewing notions and trimmings. Operates retail stores in Oregon, Washington, Montana, Idaho, Arizona, and California, under the "Fabricland" name.

Transfer Agent(s):

First Interstate Bank of Oregon
Portland, Oregon

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FBRC (NASDAQ)

Number of Stores: (at fiscal year end)

1989	72
1988	70
1987	63
1986	59
1985	53

Sales & Earnings

	Net Sales	Net Income
1989	$ 74,537,000	$ 3,100,000
1988	63,101,000	2,808,000
1987	52,216,000	2,137,000
1986	47,142,000	1,664,000
1985	38,479,000	1,558,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,681,000	$ 1.16
1988	2,682,000	1.05
1987	2,685,000	0.80
1986	2,558,000	0.65
1985	2,185,000	0.71

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.16	—	—
1988	0.14	—	—
1987	0.12	—	—
1986	0.12	—	—
1985	0.10	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 19,840,000	$ 7.40
1988	17,168,000	6.40
1987	14,760,000	5.50
1986	12,946,000	5.06
1985	8,611,000	3.94

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account*

Year ended June 30	1989	1988
Net sales	$ 74,537,000	$ 63,101,000
Cost of sales	42,917,000	36,947,000
Expenses	25,525,000	21,622,000
Interest expense	1,353,000	822,000
Other income	(208,000)	—
Income before taxes	$ 4,950,000	$ 3,710,000
Income taxes	1,850,000	1,322,000
Cum. effect of acct. change	—	(420,000)
Net Income	$ 3,100,000	$ 2,808,000

* Included in Costs and Expenses, Depreciation: $945,000 in 1989 and $637,000 in 1988.

Assets

As of June 30	1989	1988
Cash	$ 63,000	$ 428,000
Receiv., net	352,000	352,000
*Inventories	37,763,000	32,101,000
Prepaid expenses	382,000	252,000
Current Assets	$ 38,560,000	$ 33,133,000
#Fixed assets	10,304,000	8,223,000
Other assets	261,000	399,000
Total Assets	$ 49,125,000	$ 41,755,000

Liabilities

	1989	1988
Bank overdrafts	$ 789,000	$ 1,018,000
Notes payable to bank	7,965,000	5,000,000
Long-term debt, curr.	458,000	740,000
Accts. payable	9,003,000	8,338,000
Accruals	1,250,000	1,190,000
Income taxes	411,000	21,000
Curr. Liabilities	$ 19,876,000	$ 16,307,000
Long-term debt	8,602,000	7,553,000
Deferred inc. taxes	807,000	727,000
+Common stock	5,060,000	5,060,000
Retained earnings	14,780,000	12,108,000
Total Liabilites & Shareholders' Equity	$ 49,125,000	$ 41,755,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	6.64	5.88
%Net Income to Sales	4.16	4.45
%Net Income to Equity	15.63	16.36
Sales to Inventories	1.97	1.97
Debt to Equity	0.86	0.77
Working Capital	$ 18,684,000	$ 16,826,000
Current Ratio	1.94	2.03
Shareholders' Equity	$ 19,840,000	$ 17,168,000

Family Dollar Stores, Inc.

P.O. Box 25800
10401 Old Monroe Road
Charlotte, North Carolina 28212
(704) 847-6961
FAX: (704) 847-5534

Officers: Leon Levine, chairman of the board & treasurer; Ralph D. Dillon, president; John D. Reier, sr. v.p.-merchandising & advertising; Albert S. Rorie, sr. v.p.-data processing; Richard H. Griner, sr. v.p.-operations; George R. Mahoney, Jr., sr. v.p.-general counsel & secretary; Stephen G. Simms, sr. v.p.-real estate & construction; Daylon W. Powell, asst. treasurer; Janice B. Burris, asst. secretary; Phillip W. Thompson, v.p.-store operations; Robert S. Parker, v.p.-loss prevention; Edgar L. Paxton, v.p.-advertising & sales promotion; C. Martin Sowers, v.p.-controller; C. Scott Litten, sr.v.p.-finance; Terry A. Cozort, v.p.-human resources; Owen R. Humphrey, v.p.-distribution & transportation.

Directors: Leon Levine, Thomas R. Fayne, Ralph D. Dillon, George R. Mahoney, Jr., Mark R. Bernstein.

Business Activities: Operates a chain of 1,580 discount variety stores located in 27 states, primarily in the eastern half of the U.S., and the District of Columbia.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: FDO

Number of Stores: (at fiscal year end)

1989	1,580
1988	1,429
1987	1,272
1986	1,107
1985	920

Sales & Earnings

	Net Sales	Net Income
1989	$ 756,886,681	$ 21,517,237
1988	669,493,241	27,333,913
1987	560,339,004	24,802,432
1986	487,734,841	30,510,527
1985	410,088,400	28,006,936

	No. of Com. Shares ‡	Earn. per Share ‡
1989	27,740,133	$ 0.78
1988	28,027,302	0.98
1987	29,001,962	0.86
1986	28,911,348	1.06
1985	28,711,120	0.98

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.35	—	—
1988	0.31	—	—
1987	0.27	—	—
1986	0.23	—	—
1985	0.18 2/3	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 179,135,552	$ 6.46
1988	167,305,094	5.97
1987	159,571,825	5.50
1986	141,293,677	4.89
1985	115,678,159	4.03

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Aug. 31	1989	1988
Net sales	$ 756,886,681	$ 669,493,241
Other income	5,433,849	5,186,550
Total income	$ 762,320,530	$ 674,679,791
Cost of sales	501,055,885	437,440,312
Expenses	226,177,186	193,060,549
Income before taxes	$ 35,087,459	$ 44,178,930
Income taxes	13,570,222	16,845,017
Net Income	$ 21,517,237	$ 27,333,913

* Included in Costs and Expenses, Depreciation: $11,966,289 in 1989 and $10,121,456 in 1988.

Assets

As of Aug. 31	1989	1988
Cash	$ 716,443	$ 6,984,064
*Inventories	212,355,395	178,867,458
Prepayments	5,892,228	5,724,411
Current Assets	$ 218,964,066	$ 191,575,933
#Fixed assets	103,726,998	97,827,667
Other assets	1,321,388	1,316,623
Total Assets	$ 324,012,452	$ 290,720,223

Liabilities

Note payable	$ 14,000,000	$ 19,300,000
Accts. payable	106,691,305	82,901,289
Accruals	11,044,311	10,103,853
Income taxes	—	489,861
Curr. Liabilities	$ 131,735,616	$ 112,705,003
Inc. taxes payable	431,533	729,050
Deferred inc. taxes	12,709,751	9,981,076
+Common stock	2,946,681	2,946,521
Add. paid-in capital	6,928,621	6,906,456
Retained earnings	180,609,518	168,801,385
Treasury stock	(11,349,268)	(11,349,268)
Total Liabilities & Shareholders' Equity	$ 324,012,452	$ 290,720,223

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.64	6.60
%Net Income to Sales	2.84	4.08
%Net Income to Equity	12.01	16.34
Sales to Inventories	3.56	3.74
Debt to Equity	0.08	0.12
Working Capital	$ 87,228,450	$ 78,870,930
Current Ratio	1.66	1.70
Shareholders' Equity	$ 179,135,552	$ 167,305,094

Fay's Incorporated

(formerly Fay's Drug Company, Inc.)

7245 Henry Clay Boulevard
Liverpool, New York 13088-3571
(315) 451-8000
FAX: (315) 451-4851

Officers: Henry A. Panasci, Jr., chairman of the board & chief executive officer; Lawrence J. Rose, president & chief operating officer; Donald R. Bregande, v.p.-personnel; John A. Kuznia, v.p.-information systems; Gillian M. McAuliffe, v.p.-consumer affairs; Allan R. Travis, v.p.-advertising & promotion; John A. Kogut, president-Fay's Drug Store Division; Warren D. Wolfson, sr. v.p.-general counsel & secretary; Paul T. Anderson, v.p. & treasurer; David Panasci, president-The Paper Cutter Division; James F. Poole, Jr., v.p.-finance & chief financial officer; Daniel J. O'Leary, exec. v.p.; Charles P. Arms, v.p.-real estate.

Directors: Henry A. Panasci, Jr., Hyman Miller, John D. Burke, Tarky Lombardi, Jr., John Saril, Chris Witting, David H. Panasci, Robert H. Altman, John A. Kogut, Lawrence J. Rose, Daniel J. O'Leary, Warren D. Wolfson, Lora S. Flanagan.

Business Activities: Operates 158 Fay's Drug Stores and 16 Bantam Drug Stores in New York and Pennsylvania. The Company also operates 24 discount auto parts and supply stores in New York under the name 'Wheels Discount Auto Supply,' 17 discount office supply stores in New York under the name 'The Paper Cutter,' and a liquor store.

Divisions:

Fay's Drug Stores
7245 Henry Clay Boulevard
Liverpool, New York 13088-3571
(315) 451-8000

The Paper Cutter
4577 Buckley Road
Liverpool, New York 13088-2594
(315) 652-7000

Wheels Discount Auto Supply
4577 Buckley Road
Liverpool, New York 13088-2594
(315) 652-7000

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York

Ticker Symbol: FAY

Number of Stores: (at fiscal year end)

1990	215
1989	183
1988	185
1987	172
1986	154

Sales & Earnings

	Revenues	Net Income
1990	$ 574,061,000	$ 10,363,000
1989	526,627,000	10,012,000
1988	500,414,000	5,942,000
1987	452,300,000	4,098,000
1986	445,125,000	2,787,000

	No. of Com. Shares †	Earn. Per Share ‡
1990	15,253,764	$ 0.68
1989	15,067,976	0.66
1988	15,408,235	0.37
1987	16,049,576	0.24
1986	16,967,412	0.16

† Adjusted to reflect stock dividends.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.20	10%	—
1989	0.18	10%	—
1988	0.17	—	—
1987	0.17	—	—
1986	0.17	—	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 67,779,000	$ 4.44
1989	58,951,000	3.91
1988	54,599,000	3.54
1987	55,218,000	3.44
1986	60,268,000	3.55

‡ Adjusted to reflect stock dividends.

Income Account

Year ended Jan. 31	1990	1989
Net sales	$ 574,061,000	$ 526,627,000
Cost of sales	400,756,000	370,696,000
Expenses	142,229,000	123,865,000
Depreciation & amortization	10,052,000	9,793,000
Interest expense	5,932,000	7,072,000
Interest income	(810,000)	(1,324,000)
Income before taxes	$ 15,902,000	$ 16,525,000

Income taxes	5,539,000	6,513,000
Net Income	$ 10,363,000	$ 10,012,000

Assets

As of Jan. 31	1990	1989
Cash	$ 20,215,000	$ 13,884,000
Accts. receiv., net	14,380,000	10,930,000
*Inventories	83,308,000	76,093,000
Prepaid expenses	4,740,000	3,724,000
Current Assets	$ 122,643,000	$ 104,631,000
#Fixed assets	62,337,000	57,616,000
Intangibles & other assets	5,584,000	5,584,000
Total Assets	$ 190,564,000	$ 166,361,000

Liabilities

Long-term debt & cap. lease oblig., curr.	$ 1,979,000	$ 2,619,000
Accts. payable	42,960,000	42,096,000
Accrued payroll	4,943,000	4,741,000
Other accruals	9,225,000	8,786,000
Income taxes	2,239,000	2,869,000
Curr. Liabilities	$ 61,346,000	$ 61,111,000
Long-term debt	52,594,000	38,856,000
Oblig. under cap. leases	3,526,000	3,927,000
Deferred taxes	1,347,000	3,227,000
+Common stock	1,527,000	1,439,000
Add. paid-in capital	53,248,000	40,985,000
Retained earnings	13,147,000	22,165,000
Treasury stock	(143,000)	(5,638,000)
Total Liabilities & Shareholders' Equity	$ 190,564,000	$ 166,361,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.77	3.14
%Net Income to Sales	1.81	1.90
%Net Income to Equity	15.29	16.98
Sales to Inventories	6.89	6.92
Debt to Equity	0.86	0.78
Working Capital	$ 61,297,000	$ 43,520,000
Current Ratio	2.00	1.71
Shareholders' Equity	$ 67,779,000	$ 58,951,000

Food Lion, Inc.

2110 Executive Drive
P.O. Box 1330
Salisbury, North Carolina 28145-1330
(704) 633-8250
FAX: (704) 636-5024

Officers: Ralph W. Ketner, chairman of the board; Tom E. Smith, president, chief executive officer & secretary; Jerry W. Helms, senior v.p. & chief operating officer; Dan A. Boone, v.p.-finance, treasurer & assistant secretary; Allyn D. Adams, v.p.-meat operations; A. Edward Benner, Jr., v.p.-management information systems; James H. Goodwin, Jr., v.p.-distribution & purchasing; Kenneth Harris, v.p.-perishable operations; Robert R. McAuliffe, Jr., v.p.-real estate; Spencer D. Storie, v.p.-store planning & development; Vincent G. Watkins, v.p.-special projects & development; John P. Watkins, v.p.-merchandising; Eugene R. McKinley, v.p.-human resources & asst. secretary; Thomas R. Crabtree, v.p.-advertising; Charles C. Buckley, v.p.-grocery operations; Joe Hall, v.p.-purchasing.

Directors: Ralph W. Ketner, chairman; Tom E. Smith, Guy Beckers, Jacques LeClercq, Gui de Vaucleroy, David E. Johnston, Jerry W. Helms, Charles de Cooman d'Herlinckhove, Raymond-Max Boon.

Business Activities: Operates a chain of 663 supermarkets in South Carolina, Georgia, Virginia, Maryland, Tennessee, Kentucky, West Virginia Delaware, Florida, and North Carolina under the name "Food Lion." The stores sell a wide variety of groceries, produce, meats, dairy products, seafood, frozen foods and non-food items, such as tobacco, health and beauty aids and other household and personal products.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Corporate Trust Dept.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FDLNA, FDLNB (NASDAQ)

Number of Stores: (at fiscal year end)

1989	663	1986	388
1988	567	1985	317
1987	475		

Sales & Earnings

	Net Sales	Net Income
1989	$ 4,717,066,000	$ 139,775,000
1988	3,815,426,000	112,541,000
1987	2,953,807,000	85,802,000
1986*	2,406,582,000	61,823,000
1985	1,865,632,000	47,585,000

	No. of Com. Shares #	Earn. per Share #
1989	321,976,000	$ 0.43
1988	321,829,000	0.35
1987	321,435,000	0.27
1986*	320,234,000	0.19
1985	318,771,000	0.15

* 53 weeks.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.101	—	—
1988	0.066	—	—
1987	0.038	—	2-for-1
1986	0.018	—	3-for-1
1985	0.014	—	—

† Adjusted to reflect stock splits and stock recapitalization.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 538,454,000	$ 1.67
1988	430,786,000	1.34
1987	339,224,000	1.06
1986	264,864,000	0.83
1985	207,379,000	0.65

Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

Income Account

Year ended	12/30/89	12/31/88
Net sales	$ 4,717,066,000	$ 3,815,426,000
Cost of sales	3,772,473,000	3,062,451,000
Expenses	619,896,000	499,487,000
Depreciation & amortization	65,042,000	49,904,000
Interest expense	29,180,000	21,343,000
Income before taxes	$ 230,475,000	$ 182,241,000
Income taxes	90,700,000	69,700,000
Net Income	$ 139,775,000	$ 112,541,000

Assets

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 15,682,000	$ 22,054,000
Receiv., net	72,932,000	51,233,000
*Inventories	577,853,000	523,081,000
Prepaid expenses	4,740,000	4,091,000
Current Assets	$ 671,207,000	$ 600,459,000
#Fixed assets	610,470,000	488,253,000
Total Assets	$ 1,281,677,000	$ 1,088,712,000

Liabilities

Notes payable	$ 131,710,000	$ 153,921,000
Long-term debt, curr.	12,844,000	11,792,000
Cap. lease oblig., curr.	3,171,000	2,030,000
Accts. payable	237,008,000	205,692,000
Accruals	104,322,000	79,787,000
Income taxes	21,783,000	9,517,000
Curr. Liabilities	$ 510,838,000	$ 462,739,000
Long-term debt	99,926,000	110,262,000
Oblig. under cap. lease	95,017,000	50,155,000
Deferred income taxes	35,833,000	33,133,000
Deferred compensation	1,609,000	1,637,000
+Class A common stock	81,172,000	81,091,000
+Class B common stock	79,857,000	79,857,000
Add. paid-in capital	728,000	396,000
Retained earnings	376,697,000	269,442,000
Total Liabilities & Shareholders' Equity	$ 1,281,677,000	$ 1,088,712,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.89	4.78
%Net Income to Sales	2.96	2.95
%Net Income to Equity	25.96	26.12
Sales to Inventories	8.16	7.29
Debt to Equity	0.64	0.76
Working Capital	$ 160,369,000	$ 137,720,000
Current Ratio	1.31	1.30
Shareholders' Equity	$ 538,454,000	$ 430,786,000

Foodarama Supermarkets, Inc.

303 West Main Street
P.O. Box 592
Freehold, New Jersey 07728
(201) 462-4700
FAX: (201) 462-4749

Officers: Joseph J. Saker, chairman of the board & president; Sidney Cohen, sr. v.p.-administration & corp. planning, asst. secretary & asst. treasurer; Richard J. Saker, sr. v.p.-secretary & director; John J. McAteer, sr. v.p.-human resources; Joseph C. Troilo, sr. v.p.-finance & treasurer; Mary Saker, secretary & treasurer.

Directors: Joseph J. Saker*, chairman; Arthur M. Borden, Sidney Cohen*, John W. Hurley, Richard J. Saker*.

* Member of the Executive Committee.

Business Activities: Operates a chain of 26 Shop-Rite supermarkets, of which 19 are located in New Jersey, 5 in New York and 2 in Pennsylvania. Each store carries a wide variety of food products. In addition, 18 stores have in-store pharmacies, 2 stores have adjacent Shop-Rite liquor stores, and 2 stores have adjacent Shop-Rite garden centers.

Acquisition:

Hilltop Supermarkets, Inc.
Four supermarkets located in the Central New Jersey area.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: FSM

Number of Stores: (at fiscal year end)

1989	26	1986	28
1988	25	1985	27
1987	28		

Sales & Earnings

	Net Sales	Net Income
1989	$ 571,269,000	$ 1,150,000
1988	496,188,000	3,504,000
1987	482,088,000	4,217,000
1986	471,886,000	1,681,000
1985	441,046,000	2,944,000

	No. of Com. Shares #	Earn. per Share #
1989	1,136,579	$ 1.01
1988	1,159,061	3.02
1987	1,294,411	3.26
1986	1,341,489	1.25
1985	1,341,137	2.20

Based on the weighted average number of common shares outstanding during each year.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 31,342,000	$ 27.66
1988	30,436,000	26.68
1987	28,328,000	23.54
1986	26,916,000	20.06
1985	25,232,000	18.81

Income Account*

Year ended	10/28/89	10/29/88
Net sales	$ 571,269,000	$ 496,188,000
Cost of sales	433,278,000	379,213,000
Expenses	130,999,000	109,042,000
Oper. profit	$ 6,992,000	$ 7,933,000
Interest expense	6,290,000	3,096,000
Interest income	(1,273,000)	(819,000)
Income before taxes	$ 1,975,000	$ 5,656,000
Income taxes	825,000	2,152,000
Net Income	$ 1,150,000	$ 3,504,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,886,000 in 1989 and $6,956,000 in 1988.

Assets

As of	12/28/89	12/29/88
Cash & cash equiv.	$ 9,600,000	$ 5,008,000
Demand notes receiv.	—	1,000,000
Receiv., net	5,493,000	3,937,000
*Inventories	30,190,000	22,546,000
Recov. inc. taxes	1,170,000	—
Current Assets	$ 46,453,000	$ 32,491,000
Investments	9,172,000	7,796,000
#Fixed assets	66,307,000	49,869,000
Intangibles	14,767,000	2,153,000
Other assets	3,161,000	1,578,000
Total Assets	$ 139,860,000	$ 93,887,000

Liabilities

Notes payable	$ —	$ 3,000,000
Long-term debt, curr.	14,434,000	2,283,000
Cap. lease oblig., curr.	2,602,000	2,981,000
Accts. payable	18,202,000	16,884,000
Accruals	8,561,000	6,578,000
Income taxes	—	636,000
Curr. Liabilities	$ 43,799,000	$ 32,362,000
Long-term debt	41,663,000	10,386,000
Cap. lease oblig.	16,767,000	15,714,000
Deferred inc. taxes	6,289,000	4,989,000
+Common stock	1,622,000	1,622,000
Add. paid-in capital	2,351,000	2,351,000
Retained earnings	33,589,000	32,439,000
Treasury stock	(6,220,000)	(5,976,000)
Total Liabilities & Shareholders' Equity	$ 139,860,000	$ 93,887,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.35	1.14
%Net Income to Sales	0.20	0.71
%Net Income to Equity	3.67	11.51
Sales to Inventories	18.92	22.01
Debt to Equity	2.41	1.13
Working Capital	$ 2,654,000	$ 129,000
Current Ratio	1.06	1.00
Shareholders' Equity	$ 31,342,000	$ 30,436,000

Fred Meyer, Inc.

3800 S.E. 22nd Avenue
Portland, Oregon 97202
(503) 232-8844
FAX: (503) 239-7816

Officers: Frederick M. Stevens, chairman of the board & chief exec. officer; Cyril K. Green, president & chief operating officer; Norman O. Myhr, sr. v.p.-strategic marketing; Kenneth Thrasher, sr. v.p., chief financial officer & secretary; R. Eric Baltzell, sr. v.p.-store operations division; Gary L. Baker, sr. v.p.-personnel; Larry R. Ofstedahl, sr. v.p.-food division; Mary F. Sammons, sr. v.p.-general merchandise manager; Edward A. Dayoob, sr. v.p.-photo electronics & jewelry division; Julie A. Lamb, sr. v.p.-specialty division; Roger J. Bladholm, v.p.-distribution centers, plants and transportation; Edmund E. Di Marco, v.p.-asset management; Alex J. Lelli, v.p.-corporate facilities; Edward F. Morrison, v.p.-merchandise program development; Cheryl D. Perrin, v.p.-public affairs; Wally Pfeiffer, v.p.-education and human resources development; Roy M. Whitman, v.p.-engineering and store development.

Directors: Frederick M. Stevens, chairman; Saul A. Fox, Jerome Kohlberg, Jr., Roger S. Meier, Michael W. Michelson, Paul E. Raether, Oran B. Robertson.

Areas of Work: Operates 95 multi-department stores and 30 specialty stores in seven western states under the name Fred Meyer. The Company's multi-department stores contain up to 11 departments, including general and consumer electronics, fine jewelry, nutrition, and either a restaurant or snack bar.

Transfer Agent(s):

U.S. National Bank of Oregon
309 S.W. 6th Avenue, 5th Floor
Portland, Oregon 97204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MEYR (NASDAQ)

Number of Stores: (at fiscal year-end)

1990	125	1987	93
1989	112	1986	93
1988	99		

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1989*	$ 2,284,535	$ (6,848)
1988	2,073,544	36,661
1987	1,847,843	32,036
1986	1,688,208	22,535
1985	1,583,796	19,467

	No. of Com. Shares ‡	Earn. per Share † ‡
1989*	24,801,000	$ —
1988	24,470,000	1.50
1987	24,403,000	1.31
1986	20,870,000	1.08
1985	18,355,000	1.06

(Loss)
* 53 weeks.
† Including extraordinary loss of $1,530,000 ($0.07 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 251,547,000	$ 10.14
1988	258,188,000	10.55
1987	221,056,000	9.06
1986	186,692,000	8.95
1985	98,395,000	5.36

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 2,284,535	$ 2,073,544
Cost of sales	1,613,491	1,463,129
Expenses	620,953	544,225
Restruc. charge	49,277	—
Oper. profit	$ 814	$ 66,190
Interest expense	13,947	9,291
Inc. (loss) bef. taxes	$ (13,133)	$ 56,899
Income taxes (credit)	(6,285)	20,238
Net Income (Loss)	$ (6,848)	$ 36,661

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 24,904	$ 18,958
Accts. receiv. net	17,445	13,419
*Inventories	373,461	348,962
Prepaid expenses	35,924	26,490
Current Assets	$ 451,734	$ 407,829
#Fixed assets	337,653	271,199
Other assets	7,699	7,778
Total Assets	$ 797,086	$ 686,806

Liabilities
(000's)

Accts. payable	$ 198,926	$ 200,890
Income taxes	14,122	14,998
Accruals & other curr. liab.	68,245	42,606
Curr. Liabilities	$ 281,293	$ 258,494

Long-term debt & cap. lease oblig.		224,029		115,970
Deferred lease transac.		30,997		26,984
Deferred inc. taxes		9,220		27,170
Shareholders' equity		251,547		258,188
Total Liabilities & Shareholders' Equity	$	797,086	$	686,806

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.

Statistical Summary

%Income bef. Taxes to Sales		—		2.74
%Net Income to Sales		—		1.77
%Net Income to Equity		—		14.20
Sales to Inventories		6.12		5.94
Debt to Equity		0.89		0.45
Working Capital	$	170,441,000	$	149,335,000
Current Ratio		1.61		1.58
Shareholders' Equity	$	251,547,000	$	258,188,000

Frederick's of Hollywood, Inc.

6608 Hollywood Boulevard
Los Angeles, California 90028
(213) 466-5151

Officers: Goerge W. Townson, chairman, president & chief executive officer; John B. Hatfield, sr. v.p.-finance & administration & secretary; Marshall F. Coil, v.p.-systems, procedures & internal audit; Ronald G. Pearson, asst. treasurer & controller; James P. Glenny, v.p.-personnel; Nitin Parikh, v.p.-planning and analysis; William E. Kavan, v.p.-management information systems.

Directors: George W. Townson, Morton R. Field, Harriett Mellinger, Hugh Hunter, William J. Barrett, Richard O. Starbird, Sylvan Lefcoe.

Business Activities: Operates a chain of women's intimate apparel stores throughout the United States. The company also has a national mail order apparel business selling lingerie, bras, foundations, dresses, sportswear, leisurewear, hosiery, specialty menswear and accesories.

Subsidiaries:

Frederick's of Hollywood Retail Stores
Private Moments Retail Stores

Transfer Agent(s):

U.S. Stock Transfer Corp.
1745 Gardena Avenue
Glendale, California 91204

Security Pacific National Trust Company of New York
2 Rector Street
New York, New York 10006

Stock Exchange(s): American

Ticker Symbol: FHO

Number of Stores: (at fiscal year end)

1989	151	1986	136
1988	141	1985	141
1987	148		

Sales & Earnings

		Net Sales		Net Income
1989	$	80,073,000	$	3,043,000
1988*		65,025,000		1,720,000
1987		57,989,000		1,006,000
1986		48,929,000		(518,000)
1985		45,464,000		(148,000)

	No. of Com. Shares +		Earn. per Share +
1989	3,729,000	$	0.82
1988*	3,725,000		0.46
1987	3,725,000		0.27
1986	3,725,000		—
1985	3,725,000		—

(Loss)
* 53 weeks.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

		1989		1988
Frederick's of Hollywood Stores	$	46,901,000	$	39,792,000
Private Moments		3,907,000		3,582,000
Hollywood Mail Order		29,265,000		21,651,000
Total	$	80,073,000	$	65,025,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.06	—	3-for-2 & 3-for-2
1988	0.02	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

		Total Equity		Equity Per Share +
1989	$	17,873,000	$	4.78
1988		15,000,000		4.03
1987		13,363,000		3.59
1986		12,357,000		3.32
1985		12,875,000		3.45

+ Adjusted to reflect stock splits.

Income Account *

Year ended		9/2/89 (53 weeks)		9/3/88
Net sales	$	80,073,000	$	65,025,000
Cost of sales		42,933,000		36,007,000
Expenses		32,144,000		26,189,000
Interest income		(278,000)		(155,000)
Other expense		151,000		48,000
Income before taxes	$	5,123,000	$	2,936,000
Income taxes		2,080,000		1,216,000
Net Income	$	3,043,000	$	1,720,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,036,000 in 1989 and $1,763,000 in 1988.

Assets

As of		3/2/89		9/3/88
Cash & cash equiv.	$	4,584,000	$	4,501,000
Accts. receiv., net		756,000		500,000
*Inventories		9,736,000		7,505,000
Prepaid expenses		2,222,000		1,193,000
Current Assets	$	17,298,000	$	13,699,000
#Fixed assets		11,491,000		9,234,000
Other assets		104,000		57,000
Total Assets	$	28,893,000	$	22,990,000

Liabilities

Accts. payable	$	7,763,000	$	5,412,000
Cap. lease oblig., curr.		129,000		115,000
Accrued insurance		535,000		387,000
Income taxes payable		704,000		251,000
Other accruals		1,331,000		909,000
Curr. Liabilities	$	10,462,000	$	7,074,000
Capital lease oblig.		109,000		240,000
Deferred inc. taxes		449,000		676,000
+Common stock		3,741,000		1,656,000
Add. paid-in capital		—		2,019,000
Retained earnings		14,132,000		11,325,000
Total Liabilities & Shareholders' Equity	$	28,893,000	$	22,990,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		6.40		4.52
%Net Income to Sales		3.80		2.65
%Net Income to Equity		17.03		11.47
Sales to Inventories		8.22		8.66
Debt to Equity		0.01		0.02
Working Capital	$	6,836,000	$	6,625,000
Current Ratio		1.65		1.94
Shareholders' Equity	$	17,873,000	$	15,000,000

Gantos, Inc.

3260 Patterson S.E.
Grand Rapids, Michigan 49508
(616) 949-7000
FAX: (616) 949-5884

Officers: L. Douglas Gantos, president; William E. Craig, v.p.-special products; James P. Curley, sr. v.p.-finance & chief financial officer; Mark S. Bowman, exec. v.p.-real estate & marketing; Stephen R. Clark, v.p.-human resources; Anthony J. Buccina, exec. v.p. & general merchandise mgr.; Charles R. Rinehimer, sr. v.p.-store operations; Donald O. Schilstra, v.p.-management information services.

Directors: L. Douglas Gantos, Alan Stuart Schwartz, Robert J. Higgins, Sidney R. Unobskey.

Areas of Work: Operates 145 women's apparel specialty stores under the name "Gantos" in 23 states and the District of Columbia.

Subsidiaries:

Gantos Stores, Inc.
Gantos Finance, Inc.

Transfer Agent(s):

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GTOS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	139	1986	65
1988	108	1985	50
1987	84		

Sales & Earnings

		Net Sales		Net Income
1989*	$	238,156,000	$	7,004,000
1988		170,247,000		4,214,000
1987		133,046,000		6,212,000
1986		98,359,000		4,508,000
1985		75,049,000		3,096,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	4,947,000	$ 1.42
1988	4,335,000	0.97
1987	5,264,000	1.18
1986	5,029,000	0.90
1985	4,464,000	0.69

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 52,400,000	$ 9.97
1988	25,283,000	5.87
1987	31,642,000	6.01
1986	25,425,000	4.83
1985	10,495,000	2.35

Income Account *

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 238,156,000	$ 170,246,910
Cost of sales	170,471,000	123,050,513
Expenses	58,006,000	41,888,142
Interest expense	2,813,000	2,142,102
Fin. charge & other rev.	(4,477,000)	(3,073,281)
Income before taxes	$ 11,343,000	$ 6,642,956
Income taxes	4,339,000	2,429,000
Net Income	$ 7,004,000	$ 4,213,956

* Included in Costs and Expenses, Depreciation and Amortization: $6,024,000 in 1989 and $4,207,495 in 1988.

Assets

As of	2/3/90	1/28/89
Cash	$ 3,664,000	$ 1,429,071
Accts. receiv., net	31,860,000	24,073,900
*Inventories	39,620,000	26,215,329
Prepaid expenses	5,052,000	2,645,879
Current Assets	$ 80,196,000	$ 54,364,179
#Fixed assets	46,718,000	32,282,494
Total Assets	$ 126,914,000	$ 86,646,673

Liabilities

Accts. payable	$ 22,953,000	$ 21,665,611
Accruals	9,784,000	8,095,272
Income taxes	1,547,000	1,184,710
Deferred income taxes	2,521,000	2,286,000
Curr. Liabilities	$ 36,805,000	$ 33,231,593
Long-term debt	33,626,000	24,509,793
Deferred inc. taxes	4,083,000	3,623,000
+Common stock	53,000	52,646
Add. paid-in capital	20,035,000	10,499,906
Retained earnings	32,312,000	25,307,735
Treasury stock	—	(10,578,000)
Total Liabilities & Shareholders' Equity	$ 126,914,000	$ 86,646,673

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.76	3.90
%Net Income to Sales	2.94	2.48
%Net Income to Equity	13.37	16.67
Sales to Inventories	6.01	6.49
Debt to Equity	0.64	0.97
Working Capital	$ 43,391,000	$ 21,132,586
Current Ratio	2.18	1.64
Shareholders' Equity	$ 52,400,000	$ 25,282,287

The Gap, Inc.

One Harrison Street
San Francisco, California 94105
(415) 952-4400
FAX: (415) 952-4069

Officers: Donald G. Fisher, chairman & chief exec. officer; Millard S. Drexler, president; James V. O'Donnell, exec. v.p.-operations/finance & chief financial officer; Jane P. Metzroth, sr. v.p.-human resources; George A. Joseph, sr. v.p.-distribution; J. Patrick Spainhour, sr. v.p.-manufacturing; Dexter C. Tight, sr. v.p. & secretary; Steven B. Kaplan, sr. v.p.-real estate; Dennis M. Connors, sr. v.p. & chief information officer-Management Information Systems; J. Neal Vantosky, sr. v.p.-product development; Magdalene Gross, sr. v.p.-advertising; David R. Jackson, v.p. & asst. general counsel; Warren R. Hashagen, v.p. & treasurer; George P. Blankenship, v.p.-real estate; David W. Burling, v.p. & asst. general counsel; David M. DeMattei, v.p.-finance; James A. Gargiulo, v.p.-human resources; Richard S. McKinley, v.p.-taxes/risk management; Daniel E. Walker, v.p.-human resources; Barry D. Weston, sr. v.p. & chief financial officer; Paul S. Niski, v.p.-creative director.

Directors: Donald G. Fisher, chairman; Doris F. Fisher, Robert J. Fisher, John G. Bowes, Alfred H. Daniels, Brooks Walker, Jr., Henry W. Pattison, Millard S. Drexler, Charles R. Schwab, James V. O'Donnell.

Business Activities: The Company is a specialty retailer whose major division is the Gap Stores, a chain of 719 stores located nationwide, as well as in the United Kingdom (16) and Canada (6), selling moderately priced jeans-related casual and activewear clothing for men and women. Also operates 108 GapKids stores for children, and 111 Banana Republic stores, which sell travel and safari casual wear.

Subsidiaries:

Banana Republic, Inc.
San Francisco, California
Retailer of travel and safari casual wear.

The Fisher-Gap Stores, Inc.
San Francisco, California

The Gap (H.K.) Limited
San Francisco, California

Gap International, Inc.
San Francisco, California

GPS (Great Britain) Limited
San Francisco, California

Transfer Agent(s):

Bankers Trust Company of California, N.A.
San Francisco, California

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: GPS

Number of Stores: (at fiscal year end)

1989	960	1986	724
1988	900	1985	648
1987	815		

Sales & Earnings

	Net Sales	Net Income
1990*	$ 1,586,596,000	$ 97,628,000
1989	1,252,097,000	74,231,000
1988	1,062,021,000	69,595,000
1987	848,009,000	68,099,000
1986	647,333,000	27,707,000

	No. of Com. Shares †	Earn. per Share †
1990*	35,270,050	$ 2.77
1989	36,147,280	2.05
1988	35,729,513	1.95
1987	35,298,760	1.93
1986	34,178,834	0.81

* 53 weeks.
† Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.68	—	—
1989	0.525	—	—
1988	0.50	—	—
1987	0.31	—	2-for-1
1986	0.139	—	2-for-1

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 337,972,000	$ 9.62
1989	276,399,000	7.87
1988	272,912,000	7.61
1987	211,953,000	5.96
1986	151,643,000	4.32

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 1,586,596	$ 1,252,097
Cost of sales	1,046,236	845,436
Expenses	364,101	277,429
Interest expense	2,760	3,416
Hemisphere closure	10,785	—
Income before taxes	$ 162,714	$ 125,816
Income taxes	65,086	51,585
Net Income	$ 97,628	$ 74,231

* Included in Cost and Expenses, Depreciation and Amortization: $43,769,000 in 1990 and $31,408,000 in 1989.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & market. secur.	$ 38,785	$ 46,365
Accts. receiv., net	5,793	5,902
*Inventories	243,482	193,268
Prepaid expenses	28,456	12,578
Current Assets	$ 316,516	$ 258,113
#Fixed assets	238,103	191,257
Lease rights	17,596	13,797
Other assets	7,268	17,981
Total Assets	$ 579,483	$ 481,148

Liabilities
(000's)

Long-term debt, curr.	$ 2,500	$ 2,000
Accts. payable	94,224	81,289
Accruals	75,235	53,182
Income taxes	14,703	14,730
Other curr. liab.	715	702
Curr. Liabilities	$ 187,377	$ 151,903

Long-term debt	17,500	20,000
Other liabilities	28,428	19,331
Deferred credits	8,206	13,515
+Common stock	1,880	1,857
Add. paid-in capital	72,681	57,230
Retained earnings	351,214	276,469
For. curr. trans. adjust.	790	771
Restricted stock plan deferred comp.	(7,219)	—
Treasury stock	(81,374)	(59,928)
Total Liabilities & Shareholders' Equity	$ 579,483	$ 481,148

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.26	10.05
%Net Income to Sales	6.15	5.93
%Net Income to Equity	28.89	26.86
Sales to Inventories	6.52	6.48
Debt to Equity	0.06	0.08
Working Capital	$ 129,139,000	$ 106,210,000
Current Ratio	1.69	1.70
Shareholders' Equity	$ 337,972,000	$ 276,399,000

Gendis Inc.

1370 Sony Place
Winnipeg, Manitoba R3T 1N5, Canada
(204) 474-5200
FAX: (204) 474-5216

Officers: Albert D. Cohen, chairman, president & chief exec. officer; G. Allan Mackenzie, exec. v.p. & chief operating officer; Harry B. Cohen, v.p.; Joseph H. Cohen, v.p.; H. Murry Heselton, v.p.; John C. Cohen, v.p.; Morley M. Cohen, v.p.; Patrick J. Matthews, v.p.-finance; N. Paul Cloutier, v.p.- secretary & general counsel; Betty Scardina, v.p.-human resources; Edson Boyd, treasurer; Richard H. Brusegard, asst. secretary.

Directors: Albert D. Cohen*, chairman; Harry B. Cohen, John C. Cohen, Joseph H. Cohen, Morley M. Cohen*, G. R. Hunter, Charles F. Cohen, Edson Boyd*, S. Ronald Basford, E. C. Lumley, G. A. Mackenzie*, Fred H. McNeil.

* Member of the Executive Committee

Business Activities: The Company, through wholly-owned subsidiaries, participates in the Canadian merchandising and distribution industry. The Company owns 51% of Sony of Canada, Ltd., a joint venture that distributes all Sony products under the name of The Sony Store through 48 retail outlets across Canada. The Company also operates 439 junior department and family clothing stores across Canada. The Company is also involved in oil and gas exploration and development, and in real estate management.

Divisions and Subsidiaries:

Metropolitan Stores of Canada Limited (100% owned)
Property holding company.

Metropolitan Stores (M.T.S.) Ltd.
Operates 90 junior department stores throughout Canada.

Saan Stores Ltd.
1370 Sony Place, Fort Garry
Winnipeg, Manitoba R3C 3C3 Canada
Operates 227 family clothing stores in Canada.

Saan for Kids
Operates 20 children's retail clothing stores in Canada.

Greenberg Stores Limited
Montreal, Quebec
Operates 102 family clothing stores in Canada.

Sony of Canada Ltd. (51% owned)
Distributes Sony products in Canada through 48 "The Sony Store" retail outlets.

Transfer Agent(s):

Royal Trust
330 St. Mary Avenue
Winnipeg, Manitoba R3C 3Z5, Canada

Stock Exchange(s): Toronto

Ticker Symbol: GDS (A and B shares)

Number of Stores: (at fiscal year end)

1990	490	1987	434
1989	487	1986	411
1988	460		

Sales & Earnings x

	Net Sales	Net Income
1990	$ 748,157,000	$ 25,175,000
1989	676,837,000	26,140,000
1988	607,043,000	22,412,000
1987	588,536,000	22,522,000
1986	521,652,000	25,667,000

	No. of Com. Shares #	Earn. per Share +
1990	16,821,228	$ 1.50
1989	16,624,811	1.41
1988	18,679,472	1.20
1987	18,749,400	1.20
1986	18,749,400	1.37

x Restated to reflect adjustment of tne change in depreciation accounting to the straight-line method.
# Adjusted to reflect stock split.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
General merchandising	$ 477,508,000	$ 456,014,000
Electronics	267,547,000	217,767,000
Real estate	7,066,000	6,142,000
Intersegment	(3,964,000)	(3,086,000)
Total	$ 748,157,000	$ 676,837,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	0.48	—	—
1988	0.43	—	—
1987	0.40	—	2-for-1
1986	0.31	—	—

+ Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity	Equity Per Share +
1990	$ 160,255,000	$ 9.51
1989	139,966,000	8.41
1988	152,340,000	8.14
1987	141,252,000	7.52
1986	126,485,000	6.72

x Restated.
+ Adjusted to reflect stock split.

Income Account

Year ended Jan. 31	1990	1989‡
Net sales	$ 748,157,000	$ 676,837,000
Cost of sales	677,982,000	611,002,000
Depreciation & amortization	11,329,000	10,224,000
Interest expense	18,988,000	9,569,000
Income before taxes	$ 39,858,000	$ 46,042,000
Income taxes	16,438,000	20,358,000
Eq. in earn. of assoc. corps.	(1,755,000)	(456,000)
Net Income	$ 25,175,000	$ 26,140,000

‡ Restated.

Assets

As of Jan. 31	1990	1989‡
Cash	$ 4,034,000	$ 4,239,000
Receiv., net	24,435,000	24,252,000
Advances to Sony of Canada	13,840,000	8,005,000
Inc. taxes reco	1,176,000	—
•Inventories	170,018,000	157,977,000
Prepaid expenses	7,672,000	5,140,000
Current Assets	$ 221,175,000	$ 199,613,000
Investments	32,370,000	16,579,000
#Fixed assets	104,671,000	94,881,000
Other assets	4,757,000	3,412,000
Total Assets	$ 362,973,000	$ 314,485,000

Liabilities

Bank advances	$ 5,596,000	$ 4,884,000
Short-term notes payable	79,500,000	57,100,000
Long-term debt, curr.	28,000	707,000
Accts. payable & accruals	64,669,000	67,213,000
Income taxes pay.	—	3,918,000
Curr. Liabilities	$ 149,793,000	$ 133,822,000
Long-term debt	45,761,000	34,797,000
Deferred inc. taxes	7,164,000	5,900,000
+Common stock	14,969,000	11,459,000
Retained earnings	145,286,000	128,507,000
Total Liabilities & Shareholders' Equity	$ 362,973,000	$ 314,485,000

‡ Restated.
• At lower of cost and net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.33	6.80
%Net Income to Sales	3.36	3.86
%Net Income to Equity	15.71	18.68
Sales to Inventories	4.40	4.28
Debt to Equity	0.82	0.70
Working Capital	$ 71,382,000	$ 65,791,000
Current Ratio	1.48	1.49
Shareholders' Equity	$ 160,255,000	$ 139,966,000

General Building Products Corporation

P.O. Box 789
2599 Route 112
Medford, New York 11763
(516) 654-3500

Officers: Bruce G. Meltzer, president & chairman of the board; Thomas J. Flaherty, exec. v.p. & secretary; Robert S. Koebele, v.p.-finance & treasurer; Andrew J. Guerrasio, v.p.-operations.

Directors: Bruce G. Meltzer, chairman of the board; Thomas J. Flaherty, Robert S. Koebele, William M. Kaplan, Jeffrey S. Silverman, Steven A. Klar.

Business Activities: The Company markets and sells lumber and building supplies to professional building contractors, and through its eight home and building supply centers, to retail customers in Long Island, New York City, the Hudson Valley and Southern New Jersey. Its subsidiary, Major Building Products Wholesalers, Inc. sells specialty building products and operates a truss and wall panel manufacturing facility.

Divisions and Subsidiaries:

Major Building Products Wholesalers, Inc.

General Building Products Home Improvements, Inc.

General Building Appliance Corp.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBLD (NASDAQ)

Number of Stores: (at fiscal year end)

1989 8

Sales & Earnings

	Net Sales †	Net Income
1989	$ 81,816,000	$ (3,313,000)
1988	75,881,000	(228,000)
1987	67,025,000	2,150,000
1986	57,372,000	2,008,000
1985	43,615,000	989,000

	No. of Com. Shares +	Earn. per Share +
1989	3,965,316	$ —
1988	4,016,750	—
1987	3,722,214	0.58
1986	N.A.	0.67
1985	N.A.	0.33

(Loss)
N.A. - Not Available.
† Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 12,539,000	$ 3.16
1988	16,122,000	4.01
1987	16,340,000	4.39
1986	4,100,000	—
1985	2,092,000	—

+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	11/22/89	11/23/88
Net sales	$ 81,816,049	$ 75,881,558
Cost of sales	60,172,366	56,171,481
Yard & deliv. expenses	9,517,308	6,959,092
Expenses	13,991,511	11,871,607
Interest expense	2,414,171	901,074
Interest income	(449,451)	(379,294)
Inc. (loss) bef. taxes	$ (3,829,856)	$ 357,598
Income taxes (credit)	(1,648,000)	211,100
Inc. (loss) - cont. oper.	$ (2,181,856)	$ 146,498
Loss - discont. oper.	(1,131,627)	(374,062)
Net Loss	$ (3,313,483)	$ (227,564)

* Included in Costs and Expenses, Depreciation and Amortization: $1,748,209 in 1989 and $1,038,573 in 1988.

Assets

As of	11/22/89	11/23/88
Cash & cash equiv.	$ 836,865	$ 1,051,324
Accts. receiv., net	13,874,666	13,925,200
*Inventories	11,622,621	13,235,878
Refundable taxes	1,737,611	350,881
Def. inc. taxes	608,000	—
Other curr. assets	296,371	2,488,961
Net assets - discont. oper.	2,097,070	—
Current Assets	$ 31,073,204	$ 31,052,244
#Fixed assets	11,649,617	12,136,863
Other assets	1,158,836	1,965,898
Total Assets	$ 43,881,657	$ 45,155,005

Liabilities

Long-term debt, curr.	$ 1,822,980	$ 1,063,293
Accts. payable	2,793,671	3,103,209
Accruals	1,668,300	2,158,429
Def. income taxes	—	373,000
Reserve for dispos. of discont. oper.	1,580,674	—
Current Liabilities	$ 7,865,625	$ 6,697,931
Long-term debt	23,124,342	22,022,734
Deferred inc. taxes	353,100	322,100
+Common stock	200,838	200,838
Add. paid-in capital	10,039,362	10,039,362
Retained earnings	2,558,557	5,872,040
Treasury stock	(260,167)	—
Total Liabilities & Shareholders' Equity	$ 43,881,657	$ 45,155,005

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

Sales to Inventories	7.04	5.73
Debt to Equity	1.99	1.43
Working Capital	$ 23,207,579	$ 24,354,313
Current Ratio	3.95	4.64
Shareholders Equity	$ 12,538,590	$ 16,112,240

General Host Corporation

22 Gate House Road
P.O. Box 10045
Stamford, Connecticut 06904
(203) 357-9900
FAX: (203) 357-0148

Officers: Harris J. Ashton, chairman of the board, president & chief executive officer; John R. Ficarro, associate general counsel; Daniel J. Gilmartin, pres. & chief operating officer -Frank's Nursery & Crafts; Walter B. Rogers, dir.-corp. communications & planning; William F. Downey, secretary; Robert M. Lovejoy, treasurer; James R. Simpson, controller.

Directors: Charles B. Johnson*, C. Whitcomb Alden, Jr., Harris J. Ashton*, William F. Downey*, Weston E. Hamilton, Philip B. Harley, Richard W. Haskel, Edward H. Hoornstra, Christopher A. Forster.

* Member of the Executive Committee

Business Activities: Engaged in the operation of 272 Frank's Nursery & Craft retail stores located in 18 states and the District of Columbia.

Divisions and Subsidiaries:

Frank's Nursery & Crafts, Inc.
6399 E. Nevada
Detroit, Michigan 48234

Calloway's Nursery
9003 Airport Freeway
Fort Worth, Texas 76180

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: GH

Number of Stores: (at fiscal year end)

1989 272
1988 209
1987 246
1986 602
1985 606

Sales & Earnings

	Net Sales † (000's)	Net Income ‡ (000's)
1989	$ 495,767	$ (2,543)
1988	466,809	(21,284)
1987	396,198	56,788
1986	321,530	4,674
1985	256,2[illegible]	29,720

	No. of Com. Shares +	Earn. per Share ‡ #
1989	18,998,000	$ —
1988	19,862,000	—
1987	19,938,000	2.40
1986	24,875,000	0.18
1985	26,663,000	1.08

(Loss)
† Of continuing operations only.
‡ Including extraordinary losses of $4,500,000 in 1988 and $3,000,000 ($0.11 per share) in 1986.
+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1989	$ 0.30	—	—
1988	0.28	—	—
1987	0.25	—	—
1986	0.225	—	—
1985	0.20	—	3-for-2

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 153,678,000	$ 8.14
1988	171,621,000	8.69
1987	199,015,000	10.04
1986	202,765,000	8.22
1985	233,821,000	8.85

Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 495,767	$ 466,809
Other income	13,179	11,661
Total income	$ 508,946	$ 478,470

General Host Corporation

Cost of sales		335,133		318,569
Expenses		154,887		146,612
Interest expense		26,813		21,013
Loss before taxes	$	(7,887)	$	(7,724)
Tax credit		(8,768)		(3,140)
Inc. (loss)-cont. oper.	$	881	$	(4,584)
Loss-discont. oper.		(3,424)		(12,200)
Net Loss	$	(2,543)	$	(16,784)
Extraord. loss		—		(4,500)
Net Loss & extraord. loss	$	(2,543)	$	(21,284)

• Included in Costs and Expenses, Depreciation: $16,689,000 in 1989 and $15,950,000 in 1988.

Assets
(000's)

As of		1/28/90		1/29/89
Cash & cash equiv.	$	110,321	$	116,693
Marketable securities		117		912
Accts. & notes receiv., net		2,588		6,058
Inc. tax receiv.		13,504		5,979
•Inventories		83,813		91,932
Prepaid expenses		7,107		6,716
Current Assets	$	217,450	$	228,290
#Fixed assets		246,316		253,972
Intangibles		23,989		20,800
Other assets		18,138		29,594
Total Assets	$	505,893	$	532,656

Liabilities
(000's)

Long-term debt, curr.	$	24,939	$	15,722
Accts. payable		63,405		47,420
Accruals		38,625		53,969
Curr. Liabilities	$	126,969	$	117,111
Long-term debt		196,436		216,335
Deferred inc. taxes		16,473		13,391
Other liab. & def. credits		12,337		14,198
+Common stock		31,752		31,752
Add. paid-in capital		89,855		89,887
Retained earnings		160,985		169,337
Net unreal. loss on eq. secur.		(2,491)		—
Treasury stock		(125,545)		(118,426)
Notes receiv.-stock option		(878)		(929)
Total Liabilities & Shareholders' Equity	$	505,893	$	532,656

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories		5.92		5.08
Debt to Equity		1.44		1.35
Working Capital	$	90,481,000	$	111,179,000
Current Ratio		1.71		1.95
Shareholders' Equity	$	153,678,000	$	171,621,000

General Nutrition Incorporated

(The Company went private via a leveraged buyout, August 21, 1989.)

921 Penn Avenue
Pittsburgh, Pennsylvania 15222
(412) 288-4600
FAX: (412) 288-4743

Officers: Jerry D. Horn, chairman of the board & chief executive officer; William E. Watts, president & chief operating officer; Robert V. Dunn, senior vice president-law & administration and secretary; Louis Mancini, sr. v.p. & general manager-General Nutrition Corp.; Donnie R. Yancey, sr. v.p. & general manager-General Products, Inc.; Edwin J. Kozlowski, v.p., chief financial officer, controller & treasurer; John A. Zarra, v.p.-loss prevention.

Directors: Jerry D. Horn, chairman of the board; Glenn H. Hutchins, Thomas R. Shepherd, Edwin J. Kozlowski, William E. Watts.

Business Activities: Operates 1,079 retail stores which specialize in the sale of nutritional, personal care and other health-related products nationwide. Also manufactures a variety of nutritional products which are sold through the Company's retail stores, through its mail order division and to third parties.

Subsidiaries:

General Nutrition Corporation
General Nutrition Products, Inc.
General Nutrition Center, Inc.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15219

Stock Exchange(s): New York

Ticker Symbol: GNC

Number of Stores:

1989	1,079
1988	1,080
1987	1,114
1986	1,108
1985	1,134

Sales & Earnings

		Revenue		Net Income
2/3/90*	$	157,393,000	$	(10,823,000)
8/19/89+		199,568,000		2,983,000
2/4/89		361,101,000		12,578,000
2/6/88		350,952,000		404,000
1/31/87		342,591,000		6,591,000

	No. of Com. Shares		Earn. per Share ‡
2/3/90*	100	$	—
8/19/89+	31,315,000		0.09
2/4/89	31,315,000		0.39
2/6/88	33,045,000		0.01
1/31/87	33,015,000		0.20

NOTE: Lee-GN Holding Corp. was organized in June, 1989 by the Thomas H. Lee Company to acquire the Company. On August 21, 1989, Lee-GN Acquisition Corp., a wholly-owned subsidiary of Holding, acquired 91.4% of the outstanding common stock. On November 17, 1989, the Purchaser was merged with and into GNC. Figures for the period ending Feb. 3, 1990 are for the successor company.
(Loss)
* 24 weeks.
+ 28 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

		1989		1988
Retail	$	343,701,000	$	333,511,000
Manufacturing		10,705,000		5,815,000
Mail order		2,555,000		21,775,000
Total	$	356,961,000	$	361,101,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
2/3/90	$ —	—	—
8/19/89	0.08	—	—
2/4/89	0.16	—	—
2/6/88	0.16	—	—
1/31/87	0.16	—	—

Common Stock Equity

		Total Equity		Equity Per Share
2/3/90	$	16,564,000	$	—
8/19/89		91,952,000		2.94
2/4/89		90,247,000		2.88
2/6/88		92,294,000		2.79
1/31/87		97,114,000		2.94

Income Account *
(000's)

Year ended		2/3/90 (24 weeks)		8/19/89 (28 weeks)
Net sales	$	157,393	$	199,568
Cost of sales		103,759		127,139
Expenses		42,210		51,398
Amort. of goodwill		3,111		—
Non-recurr. acq. costs		—		13,643
Gain on sale of mail order		—		(1,625)
Interest expense (income)		24,456		(126)
Inc. (loss) bef. taxes	$	(16,143)	$	9,139
Income taxes (credit)		(5,320)		6,156
Net Income (Loss)	$	(10,823)	$	2,983

• Included in Costs and Expenses, Depreciation and Amortization: $14,364,000 in 1989 and $8,421,000 in 1988.

Assets
(000's)

As of		2/3/90		2/4/89
Cash & cash equiv.	$	2,420	$	1,453
Accts. receiv., net		6,823		3,593
•Inventories		60,789		62,775
Refund. inc. taxes		5,762		—
Deferred inc. taxes		585		5,272
Other curr. assets		5,486		5,334
Current Assets	$	81,865	$	78,427
#Fixed assets		54,171		54,470
Other assets		5,602		3,145
Prepaid pension cost		5,361		—
Def. financing fees		3,817		—
Goodwill		262,292		—
Total Assets	$	413,108	$	136,042

Liabilities
(000's)

Long-term debt, curr.	$	8,250	$	1,500
Accts. payable		18,248		22,498
Accrued payroll		8,227		10,028
Income taxes		—		207
Accrued store closing costs		758		1,263
Accrued interest		6,706		—
Accrued plant consol. costs		—		891
Other current liabilities		12,445		3,805
Curr. Liabilities	$	54,634	$	40,192

Long-term debt	309,675	2,039
Deferred inc. taxes	—	3,564
Redeem. pref. stock	32,235	—
+Common stock	40,000	4,161
Carry-over basis adjust.	(11,742)	—
Retained earnings (deficit)	(11,694)	95,523
Treasury stock	—	(9,437)
Total Liabilities & Shareholders' Equity	$ 413,108	$ 136,042

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value in 1990; no par in 1989.

Statistical Summary

%Income bef. Taxes to Sales	—	4.58
%Net Income to Sales	—	1.49
%Net Income to Equity	—	3.24
Sales to Inventories	2.59	—
Debt to Equity	19.19	—
Working Capital	$ 27,231,000	$ 38,235,000
Current Ratio	1.50	1.95
Shareholders' Equity	$ 16,564,000	$ 91,952,000

Genesco Inc.

Genesco Park
Nashville, Tennessee 37202
(615) 367-7000
FAX: (615) 367-8179

Officers: William S. Wire, II, chairman & chief executive officer; Larry B. Shelton, president & chief operating officer; James W. O'Brien, v.p.-human resources; William C. O'Connor, v.p.-law & secretary; James S. Gulmi, v.p.-finance & treasurer; Robert E. Brosky, controller & chief accounting officer; Larry G. Kinney, asst. v.p.; M. Wills Oglesby, asst. treasurer.

Directors: William S. Wire*, chairman; David M. Chamberlain, Sidney Davidson*, John Diebold*, Harry D. Garber*, John H. Dasburg, W. A. Williamson, Jr., Larry B. Shelton, Edward E. Elson*, W. Lipscomb Davis, Jr., William G. Moore, Jr..

* Member of the Executive Committee

Business Activities: Genesco's business falls into two major areas: footwear & men's apparel manufacturing. Operates 628 shoe stores and leased shoe departments throughout the U.S. and in Puerto Rico.

Divisions and Subsidiaries:

Manufacturing and Wholesale:

Mitre Sports
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7475
Soccer, baseball and softball shoes.

Laredo/Code West Boots
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7138
Laredo and Code West western boots for men, women, and children.

Charm Step/Easy Street
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7113
Fashionable & comfortable shoes for women.

Volunteer Leather
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-8261
Side leather tanning, finishing and distributing.

Johnston & Murphy Shoe Company
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-8101
Johnston & Murphy men's dress and casual shoes; 102 retail shoe stores and 32 leased shoe departments.

The Greif Companies
939 Marcon Boulevard
P.O. Box 9000
Allentown, Pennsylvania 18001
(215) 266-2200
Men's tailored clothes.

Genesco Retail:

Journeys
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7019
Footwear and personal accessories for young men and women, aged 13-23.

Genesco Factory To You
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7363
Family footwear and accessories at factory prices.

Hardy
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7444
Shoes for the fashion conscious male aged 15-30.

Jarman
Genesco Park
Nashville, Tennessee 37202-0731
(615) 367-7222
Dress and casual footwear for men; 201 retail stores and 73 leased departments.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest

Ticker Symbol: GCO

Number of Stores: (at fiscal year end)

1989	628	1986	698
1988	635	1985	1,088
1987	658		

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1990	$ 492,248	$ 18,871
1989	462,766	15,156
1988	405,844	11,444
1987	514,589	20,426
1986	538,486	(33,929)

	No. of Com. Shares	Earn. per Share #
1990	22,660,723	$ 0.83
1989	20,723,669	0.76
1988	15,188,821	0.61
1987	15,173,821	1.20
1986	15,098,821	—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Footwear:		
Retail	$ 214,637	$ 202,037
Wholesale & mfg.	143,411	135,980
Total Footwear	$ 358,048	$ 338,017
Men's apparel	134,200	124,749
Total	$ 492,248	$ 462,766

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 135,794,000	$ 5.99
1989	102,031,000	4.92
1988	56,155,000	3.70
1987	46,185,000	3.04
1986	19,701,000	1.30

Income Account*
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 492,248	$ 462,766
Cost of sales	306,300	294,072
Expenses	160,872	149,218
Interest expense	9,090	9,511
Interest income	(2,359)	(2,160)
Pension plan settle. gain	—	(2,298)
Inc. bef. taxes	$ 19,812	$ 15,699
Income taxes	941	543
Net Income	$ 18,871	$ 15,156

* Included in Costs and Expenses, Depreciation and Amortization: $8,190,000 in 1990 and $7,821,000 in 1988.

Assets
(000's)

As of Jan. 31	1990	1989
Cash & short-term invest.	$ 36,549	$ 41,775
Receiv., net	58,608	58,596
*Inventories	124,943	114,387
Prepaid expenses	6,915	3,856
Curr. Assets	$ 227,015	$ 218,614
#Fixed assets	43,772	41,711
Other assets	9,004	5,110
Total Assets	$ 279,791	$ 265,435

Liabilities
(000's)

Long-term debt, curr.	$ 9,642	$ 9,642
Capitalized lease oblig., curr.	809	738
Accts. payable & accruals	46,752	41,795
Curr. Liabilities	$ 57,203	$ 52,175
Long-term debt	40,765	49,377
Cap. lease oblig.	9,776	10,260
Other liabilities	19,496	18,950
Redeem pref. stock	—	16,043
Preferred stock	16,757	16,599
+Common stock	23,149	21,212
Add. paid-in capital	105,416	91,007
Retained earnings	25,596	8,179
Treasury stock	(18,367)	(18,367)
Total Liabilities & Shareholders' Equity	$ 279,791	$ 265,435

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.02	3.39
%Net Income to Sales	3.83	3.28
%Net Income to Equity	12.37	12.78
Sales to Inventories	3.94	4.05
Debt to Equity	0.40	0.59
Working Capital	$ 169,812,000	$ 166,439,000
Current Ratio	3.97	4.19
Shareholders' Equity	$ 152,551,000	$ 118,630,000

Genovese Drug Stores, Inc.

80 Marcus Drive
Melville, New York 11747
(516) 420-1900
FAX: (516) 420-1807

Officers: Leonard Genovese, chairman of the board & president; Herbert J. Kett, vice chairman; Allan Patrick, exec. v.p.; Jerome Stengel, v.p. & treasurer; Donald W. Gross, v.p. & secretary; Ralph J. Rescildo, v.p.; Dominick Lettieri, v.p.; Raymond Rescildo, v.p.; J. Robert McCarthy, v.p.; Emil DiLollo, asst. v.p.; Joseph Maniscalco, asst. v.p.; James Flinter, asst. v.p.; Owen Rees, asst. v.p.; Philip A. Sansonia, asst. v.p.; Ronald LeTellier, controller for administration distribution center; Edward T. Kelly, controller.

Directors: Frances A. Wangberg, Leonard Genovese, William J. McKenna, Herbert J. Kett, Charles Hayward, Edward J. Brady, Abraham Allen, Allan Patrick, Thomas M. Cooney.

Business Activities: Operates a chain of 96 Genovese Drug Stores located in New York, New Jersey and Connecticut.

Divisions:

Genco Distributors Division
100 Orville Drive
Bohemia, New York 11716
A distributor of cosmetics, health and beauty aids, and sundries.

Living Color Labs
199 Glen Street
Glen Cove, New York 11542
Operates photo-finishing labs and a professional retail photo store.

Genrex Pharmacy Services
80 Marcus Drive
Melville, New York 11747

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: GDXA

Number of Stores: (at fiscal year end)

1990	96
1989	91
1988	83
1987	79
1986	77

Sales & Earnings

	Net Sales	Net Income
1990	$ 405,126,000	$ 2,771,000
1989	366,412,000	5,524,000
1988	313,927,000	4,637,000
1987	270,760,000	2,035,000
1986	233,174,000	2,929,000

	No. of Com. Shares #	Earn. per Share ‡
1990	6,714,083	$ 0.41
1989	6,685,519	0.83
1988	6,681,005	0.70
1987	6,642,811	0.31
1986	6,653,272	0.44

# Adjusted to reflect stock dividend and stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1990	$ 0.24	—	—
1989	0.18	10%	—
1988	0.14	—	3-for-2
1987	0.12	—	—
1986	0.12	—	—

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 36,106,000	$ 5.38
1989	34,687,000	5.19
1988	30,377,000	4.55
1987	26,388,000	3.97
1986	25,257,000	3.80

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	2/2/90	2/3/89
Net sales	$ 405,126,000	$ 366,412,000
Cost of sales	287,601,000	260,001,000
Expenses	108,097,000	94,157,000
Interest exp.	4,566,000	2,611,000
Income before taxes	$ 4,862,000	$ 9,643,000
Income taxes	2,091,000	4,119,000
Net Income	$ 2,771,000	$ 5,524,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,307,000 in 1990 and $3,464,000 in 1989.

Assets

As of	2/2/90	2/3/89
Cash	$ 1,561,000	$ 1,091,000
Receiv., net	11,329,000	9,484,000
*Inventories	73,779,000	67,954,000
Prepaid expenses	1,430,000	1,951,000
Current Assets	$ 88,099,000	$ 80,480,000
#Fixed assets	35,322,000	31,858,000
Other assets & deferred charges	1,871,000	1,283,000
Total Assets	$ 125,292,000	$ 113,621,000

Liabilities

Notes payable	$ 7,558,000	$ 7,218,000
Long-term debt, curr.	1,478,000	1,351,100
Accts. payable	30,593,000	31,174,000
Accruals	5,265,000	4,894,000
Income taxes	—	656,000
Deferred income taxes	1,989,000	1,713,000
Other taxes	2,423,000	2,172,000
Curr. Liabilities	$ 49,306,000	$ 49,178,000
Long-term debt	34,476,000	25,008,000
Deferred income taxes	5,404,000	4,748,000
+Common stock	6,740,000	6,729,000
Add. paid-in capital	12,435,000	12,337,000
Retained earnings	17,179,000	16,023,000
Treasury stock	(248,000)	(402,000)
Total Liabilities & Shareholders' Equity	$ 125,292,000	$ 113,621,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.20	2.63
%Net Income to Sales	0.68	1.51
%Net Income to Equity	7.67	15.93
Sales to Inventories	5.49	5.39
Debt to Equity	1.21	0.97
Working Capital	$ 38,793,000	$ 31,302,000
Current Ratio	1.79	1.64
Shareholders' Equity	$ 36,106,000	$ 34,687,000

George Weston Limited

22 St. Clair Avenue East
Suite 1901
Toronto, Ontario M4T 2S7, Canada
(416) 922-2500
FAX: (416) 922-4395

Officers: W. Galen Weston, chairman of the board & president; Richard J. Currie, pres.-Loblaw Companies Limited; Robert H. Kidd, sr. v.p. & chief financial officer; David A. Nichol, president-Loblaw International Merchants; David R. Beatty, president-Weston Foods Ltd.; Earl R. Pearce, president-Weston Resources Limited; Ivan R. Franklin, v.p.-taxation; Stewart E. Green, v.p., secretary & gen. counsel; Terrence H. Wardrop, v.p.-financial control & administration; Michael R. Lambert, controller; John V. Laurie, treasurer.

Directors: W. Galen Weston, chairman; John C. Scarth, John D. Stevenson, David A. Nichol, Mark Hoffman, Hugo Mann, Pauline McGibbon, Garry H. Weston, Robert H. Kidd, Earl R. Pearce, David R. Beatty, Robert I. Mitchell, Gerald B. Mitchell, Richard J. Currie, S. Simon Reisman.

Business Activities: Diversified operations in food processing, fisheries, forest products, and wholesale-retail food distribution.

Divisions and Subsidiaries:

Wholesales and Retail
Canadian operations include wholesale and retail marketing of food and other products throughout Canada and food manufacturing for distribution in Canada and the United States. Also engaged in wholesale and retail distribution of food and other products in the central United States. The Company owns warehouses in strategic centers with supermarkets across Canada and the northwestern and south central United States. Also operates food manufacturing plants in Burnaby, British Columbia. United States facilities include supermarkets located primarily in the central United States with warehouses in major centers.

Canadian Operations
Loblaw Companies Limited (77% owned)
Atlantic Wholesalers
National Grocers
Zehrmart
Kelly, Douglas & Company, Limited
Westfair Foods
Fortino's Supermarkets Ltd.
Hasty Market Inc.
Loblaws Supermarkets

United States Operations
National Tea Co.

Weston Foods Ltd.

Bakery Group
Produces and disbributes a wide variety of baked goods throughout Canada.

Weston Bakeries Limited
Stroehmann Bakeries
Soo Line Mills Limited
Ready Bake Foods Inc.
McCarthy Milling Company Limited

Biscuit Group
Manufactures and markets sweet biscuits, crackers, ice cream cones, confections and candies throughout Canada and the United States.

Interbake Foods, Inc. (U.S.)

Chocolate & Dairy Group
Manufacturer of chocolate and chocolate products; produces ice cream and dairy products.

William Neilson Limited

Food Specialties Group
Manufactures a variety of toppings and other products for the baking confection, dairy and fountain industries. Packages and distributes a line of dried and glazed fruits, nuts, cereals and health foods. Produces liquid bulk and granulated and packaged white sugars.

Bowes Co. Ltd.

Weston Resources Limited

Fisheries
Major suppliers of Pacific coast salmon and wide variety of fresh, frozen, canned and prepared seafoods, as well as fish meal and oil.

British Columbia Packers Limited
Nelson Bros. Fisheries Limited
Connors Bros. Limited

Forest Products Group
Manufactures and distributes fine, specialty and kraft papers for printing, converting, packaging and wrapping; paperboard, kraft pulps, lumber, tissue, other household and industrial paper products.

Eddy Paper Company Limited
E. B. Eddy Forest Products Ltd.

Transfer Agent(s):

National Trust Company
Toronto, Montreal & Vancouver, Canada

Stock Exchange(s): Toronto, Montreal, Vancouver

Ticker Symbol: WN

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1989	$ 10,459,000	$ 187,300
1988	10,831,200	190,500
1987	11,034,800	134,100
1986	10,026,100	118,600
1985	8,879,800	100,900

	No. of Com. Shares +	Earn. per Share ‡ +
1989	46,207,178	$ 3.81
1988	46,095,638	3.85
1987	46,096,708	2.58
1986	45,998,034	2.31
1985	45,898,716	1.96

‡ Including extraordinary gains of $37,400,000 ($0.81 per share) in 1989 and $53,100,000 ($1.15 per share) in 1988.
+ Adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Weston Foods	$ 1,605,000	$ 1,468,000
Loblaw Companies	7,934,000	8,308,000
Weston Resources	1,215,000	1,361,000
Inter-group	(295,000)	(306,000)
Total	$ 10,459,000	$ 10,831,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.66	—	—
1988	0.61	—	—
1987	0.57	—	—
1986	0.51	—	4-for-1
1985	0.44	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 1,084,171,000	$ 23.46
1988	949,182,000	20.59
1987	840,051,000	18.23
1986	759,460,000	16.52
1985	664,231,000	14.49

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 10,459,000	$ 10,831,200
Cost of sales	9,884,100	10,279,800
Depreciation	191,400	181,700
Costs of downsizing	—	21,500
Interest expense	113,700	103,900
Income bef. taxes	$ 269,800	$ 244,300
Income taxes	94,600	86,300
Minority interest	25,300	20,600
Net Income	$ 149,900	$ 137,400
Extraord. gain	37,400	53,100
Net Income & extraord. gain	$ 187,300	$ 190,500

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 61,600	$ 102,600
Accts. receiv., net	329,300	372,200
*Inventories	929,300	911,000
Prepaid expenses	35,400	34,600
Current Assets	$ 1,355,600	$ 1,420,400
Investments	164,700	144,400
#Fixed assets	1,881,800	1,804,400
Intangibles	99,400	61,500
Other assets	49,300	45,000
Total Assets	$ 3,550,800	$ 3,475,700

Liabilities
(000's)

	1989	1988
Bank advances & notes payable	$ 78,700	$ 185,800
Long-term debt, curr.	58,500	19,900
Accts. payable & accruals	985,100	909,200
Dividends payable	8,100	7,400
Income taxes	36,000	46,600
Curr. Liabilities	$ 1,166,400	$ 1,168,900
Long-term debt	672,000	662,800
Other liabilities	39,600	38,100
Minority interest	291,900	263,400
Deferred inc. taxes	189,800	210,900
+Preferred stock	106,700	182,200
++Common stock	34,100	32,300
Retained earnings	1,081,800	935,900
For. curr. trans.	(31,500)	(18,800)
Total Liabilities & Shareholders' Equity	$ 3,550,800	$ 3,475,700

* Retail store inventories at lower of cost and net realizable value less normal profit margin. Other inventories at lower of cost and net realizable value.
# Less accumulated depreciation.
+ $100 par value.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.58	2.26
%Net Income to Sales	1.43	1.27
%Net Income to Equity	12.59	12.14
Sales to Inventories	11.25	11.89
Debt to Equity	0.68	0.77
Working Capital	$ 189,200,000	$ 251,500,000
Current Ratio	1.16	1.22
Shareholders' Equity	$ 1,191,100,000	$ 1,131,600,000

Giant Food Inc.

6300 Sheriff Road
Landover, Maryland 20785
(301) 341-4100
FAX: (301) 341-4582

Mailing Address:
P. O. Box 1804
Washington, Washington D.C. 20013

Officers: Israel Cohen, chairman of the board, president & chief exec. officer; David B. Sykes, sr. v.p.-finance, secretary & treasurer; Pete L. Manos, sr. v.p.-food operations; Alvin Dobbin, sr. v.p.-operations; David Freedman, sr. v.p.-corporate facilities; David W. Rutstein, sr. v.p. & general counsel; Albert J. Lechert, Jr., v.p.-construction operations; Roger D. Olson, sr. v.p.-labor relations & personnel; Alan Swoff, v.p.-frozen food operations; David Larson, v.p.-manufacturing; George W. Hannis, Jr., v.p.-dairy, delicatessen, meat & seafood; M. Davis Herriman, v.p.-grocery oper.; Emanuel Richman, v.p.-pharmacy oper.; Robert W. Schoening, sr. v.p.-data processing; Terry A. Gans, v.p.-advertising & sales promotion; Odonna Mathews, v.p.-consumer affairs; Ronald A. Cooke, v.p.-store operations; Barry F. Scher, v.p.-public affairs; Samuel E. Thurston, sr. v.p.-distribution; Albert Reinach, controller; Michael J. Bush, v.p.-real estate; Stephen L. Oseroff, v.p.-shopping centers; M. David Richman, v.p.-quality assurance; Winston doCarmo, v.p.-personnel; Arthur Koch, asst. secretary.

Directors: David B. Sykes, Israel Cohen, Millard R. West, Jr., Morton H. Wilner, Richard Waxenberg, Samuel Lehrman, John J. Mason.

Business Activities: Operates a chain of 149 Giant Food supermarkets in Washington, D.C., Maryland and Virginia, of which 99 are food-pharmacy units; also operates two freestanding drug stores.

Subsidiaries:

Giant of D.C., Inc.
Giant of Maryland, Inc.
Giant of Virginia, Inc.
Giant of Salisbury, Inc.
Leco, Inc.
GFS Realty, Inc.
Landover Wholesale Tobacco Corp.
Bursil, Inc.
Giant Construction Co.
Cole Engineering, Inc.
Giant Automatic Money Systems, Inc.
Super G Display Corp.
Bayside Traffic Services
Capitalization of Leases
Warex Jessup Inc.
Shaw Community Supermarket

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American, Philadelphia, Pacific

Ticker Symbol: GFSA

Number of Stores: (at fiscal year end)

	Food Stores	Other Stores
1989	149	2
1988	145	1
1987	144	1
1986	141	1
1985	137	1

Sales & Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1990	$ 3,248,942	$ 108,399
1989	2,987,154	97,967
1988	2,721,260	75,572
1987*	2,528,492	46,453
1986	2,247,218	57,003

	No. of Com. Shares †	Earn. per Share #
1990	59,757,000	$ 1.80
1989	60,163,000	1.63
1988	60,152,000	1.26
1987*	60,090,000	0.77
1986	59,948,000	0.95

* 53 weeks.
‡ Of continuing operations.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.50	—	—
1989	0.40	—	2-for-1
1988	0.33	—	—
1987	0.30	—	—
1986	0.25	—	2-for-1

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 493,064,000	$ 8.25
1989	427,660,000	7.11
1988	355,570,000	5.91
1987	299,926,000	4.99
1986	271,319,000	4.53

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	2/24/90	2/25/89
Net sales	$ 3,248,942	$ 2,987,154
Cost of sales	2,274,813	2,107,406
Expenses	787,318	709,422
Interest expense	24,059	24,146
Interest income	(16,436)	(12,890)
Income before taxes	$ 179,188	$ 159,070
Income taxes	70,789	61,103
Net Income	$ 108,399	$ 97,967

* Included in Costs and Expenses, Depreciation and Amortization: $65,945,000 in 1990 and $56,995,000 in 1989.

Assets
(000's)

As of	2/24/90	2/25/89
Cash & cash equiv.	$ 99,947	$ 90,789
Short-term invest.	81,997	87,867
Receivables, net	26,148	28,005
*Inventories	206,563	191,012
Prepaid expenses	7,140	6,854
Current Assets	$ 421,795	$ 404,527
Real estate for future develop.	9,703	10,449
#Fixed assets	524,221	449,946
Prop. under cap. leases	115,464	108,253
Other assets	9,655	9,356
Total Assets	$ 1,080,838	$ 982,531

Liabilities
(000's)

	2/24/90	2/25/89
Long-term debt, curr.	$ 1,901	$ 6,177
Cap. lease oblig., curr.	3,813	3,480
Accts. payable	186,092	163,852
Accruals	63,624	65,960
Dividends payable	7,494	6,018
Income taxes	12,430	12,634
Curr. Liabilities	$ 275,354	$ 258,121
Long-term debt	100,366	101,740
Cap. lease oblig.	141,168	131,721
Prov. for ins. claims	16,778	15,810
Deferred inc. taxes	52,301	45,317
Other liabilities	1,807	2,162
+Common stock	60,257	60,257
Add. paid-in capital	—	1,058
Retained earnings	445,637	368,310
Treasury stock	(12,830)	(1,965)
Total Liabilities & Shareholders' Equity	$ 1,080,838	$ 982,531

* At lower of cost or market. Grocery, drug, cosmetic and non-food inventories at LIFO; all other inventories at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.52	5.33
%Net Income to Sales	3.34	3.28
%Net Income to Equity	21.98	22.91
Sales to Inventories	15.73	15.64
Debt to Equity	0.50	0.57
Working Capital	$ 146,441,000	$ 146,406,000
Current Ratio	1.53	1.57
Shareholders' Equity	$ 493,064,000	$ 427,660,000

The Gitano Group, Inc.

1411 Broadway
New York, New York 10018
(212) 819-0707
FAX: (212) 730-0319

Officers: Morris Dabah, chairman & chief executive officer; Haim Dabah, president & chief operating officer; Ezra Dabah, vice chairman, executive committee; Isaac Dabah, vice chairman; Robert Reiss, exec. v.p.; Stanley A. Greenstein, sr. v.p. & chief financial officer; Gustave Birnberg, sr. v.p., David Keery, v.p. & sr. financial officer; Steven M. Gerber, general counsel & secretary.

Directors: Morris Dabah, chairman; Haim Dabah, Ezra Dabah, Isaac Dabah, Gustave Birnberg, Michael Goldstein, Kevin W. Kennedy, Peter J. Mansbach, Norman S. Matthews, Robert Reiss, Laura J. Sloate.

Business Activities: Operates 73 company-owned retail locations selling Gitano's products exclusively. Headquartered in Manhattan, Gitano has 14 foreign offices and owns factories in the United States, the Caribean basin and Central America, and manages a network of manufacturers and suppliers in over 40 countries throughout the world.

Operating Units:

Gitano Women's Jeanswear
Gitano Women's Sportswear
E.J. Gitano Childrenswear
Gitano Menswear
Gitano Intimate Apparel
Gloria Vanderbilt Apparel
Gitano Retail Group
Gitano Licensees
Gloria Vanderbilt Licensees
Regatta Sport Apparel
Private Label Division

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: GIT

Number of Stores: (at fiscal year end)

1989	73	1987	16
1988	41		

Sales & Earnings

	Net Sales	Net Income
1989	$ 625,890,000	$ 30,701,000
1988	464,526,000	22,977,000
1987	365,993,000	16,866,000
1986	308,503,000	8,391,000
1985*	159,440,000	6,033,000

	No. of Com. Shares +	Earn. per Share +
1989	13,920,655	$ 2.21
1988	12,372,650	1.86
1987	11,835,655	1.43
1986	11,835,655	0.71
1985*	11,835,655	0.51

* 53 weeks.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 126,255,000	$ 9.09
1988	95,539,000	6.88
1987	46,400,000	3.94
1986	29,522,000	2.52
1985	20,331,000	1.74

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 625,890,000	$ 464,526,000
Cost of sales	449,248,000	334,938,000
Expenses:		
Sell. & distr.	85,830,000	60,105,000
Gen. & adm.	30,799,000	21,687,000
Interest expense	22,577,000	15,569,000
Income before taxes	$ 37,436,000	$ 32,227,000
Income taxes	6,735,000	9,250,000
Net Income	$ 30,701,000	$ 22,977,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,053,000 in 1989 and $4,203,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 3,610,000	$ 5,893,000
Accts. receiv., net	107,176,000	56,834,000
*Inventories	227,283,000	151,762,000
Recov. inc. taxes	4,377,000	6,987,000
Due from affil.	4,793,000	—
Prepaid expenses	9,196,000	6,952,000
Deferred inc. taxes	1,210,000	241,000
Current Assets	$ 357,6 5,000	$ 228,669,000
#Fixed assets	53,121,000	37,510,000
Permanent quota costs	2,651,000	3,373,000
Intangibles	17,764,000	16,779,000
Other assets	9,732,000	5,996,000
Total Assets	$ 440,913,000	$ 292,327,000

Liabilities

Notes payable-banks	$ 7,618,000	$ 26,421,000
Notes payable-stockholders	—	867,000
Long-term debt, curr.	3,062,000	4,885,000
Bankers' accept. pay.	90,986,000	53,005,000
Accts. payable	59,532,000	31,745,000
Accruals	16,130,000	19,089,000
Current Liabilities	$ 177,328,000	$ 136,012,000
Senior secured notes	100,000	—
Notes payable-banks	—	35,000
Mortg. payable	5,782,000	1,369,000
Notes payable-other	1,197,000	1,713,000
Cap. lease oblig.	21,401,000	16,797,000
Subord. notes payable	8,000,000	5,454,000
Deferred inc. taxes	662,000	155,000
+Preferred stock	288,000	288,000
++Common stock	1,392,000	1,392,000
Add. paid-in capital	36,681,000	36,681,000
Retained earnings	88,182,000	57,466,000
Total Liabilities & Shareholders' Equity	$ 440,913,000	$ 292,327,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $50 par value; $4 non-cumulative.
++ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.98	6.94
% Net Income to Sales	4.91	4.95
% Net Income to Equity	24.26	23.98
Sales to Inventories	2.75	3.06
Debt to Equity	0.37	0.97
Working Capital	$ 180,317,000	$ 92,657,000
Current Ratio	2.02	1.68
Shareholders Equity	$ 126,543,000	$ 95,827,000

The Good Guys, Inc.

601 Van Ness Avenue
San Francisco, California 94102
(415) 885-2121
FAX: (415) 259-5330

Officers: Ronald A. Unkefer, chairman of the board & president; Stanley R. Baker, v.p.-video merchandising; Wayne R. Inouye, v.p.-audio merchandising; Barton L. Jackson, v.p.-management information systems; Roger W. Lumry, v.p.-operations; Gregory L. Steele, v.p.-real estate; Gera M. Vaz, v.p.-human resources; Kenneth R. Weller, v.p.-sales; William A. McFarlane, v.p.-finance; Cathy A. Stauffer, v.p.-advertising.

Directors: Ronald A. Unkefer, chairman; Stanley R. Baker, Robert A. Gunst, Russell M. Solomon.

Areas of Work: Operates 21 consumer electronics retail stores in northern California under the name THE GOOD GUYS!

Transfer Agent(s):

Bank of America, N.T. & S.A.
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GGUY (NASDAQ)

Number of Stores:

1989	21	1986	12
1988	17	1985	7
1987	14		

Sales & Earnings

	Net Sales	Net Income
1989	$ 195,015,000	$ 3,966,000
1988	149,369,000	3,309,000
1987	120,239,000	2,609,000
1986	89,473,000	1,401,000
1985	70,868,000	2,255,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	4,413,000	$ 0.90
1988	4,480,000	0.74
1987	4,439,000	0.59
1986	4,008,000	0.35
1985	3,500,000	0.64

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 27,807,000	$ 6.21
1988	23,477,000	5.24
1987	20,634,000	4.65
1986	17,379,000	4.34
1985	5,716,000	1.63

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1989	1988
Net sales	$ 195,015	$ 149,369
Cost of sales	142,673	109,509
Expenses	45,417	34,550
Other income	299	(139)
Income before taxes	$ 6,626	$ 5,449
Income taxes	2,660	2,140
Net Income	$ 3,966	$ 3,309

* Included in Costs and Expenses, Depreciation and Amortization: $2,438,000 in 1989 and $1,758,000 in 1988.

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 1,108	$ 1,391
Accts. receiv., net	4,154	2,243
*Inventories	25,258	18,309
Prepaid expenses	1,764	1,878
Current Assets	$ 32,284	$ 23,821
#Fixed assets	18,134	11,697
Other assets	233	319
Total Assets	$ 50,651	$ 35,837

Liabilities
(000's)

Accts. payable	$ 9,389	$ 7,578
Accrued payroll	2,605	1,799
Accrued sales taxes	1,546	1,057
ESOP contribution	230	100
Other current liabilities	1,361	1,323
Curr. Liabilities	$ 15,131	$ 11,857
Long-term debt	7,000	—
Deferred revenue	713	503
+Common stock	45	44
Add. paid-in capital	11,443	11,080
Retained earnings	16,319	12,353
Total Liabilities & Shareholders' Equity	$ 50,651	$ 35,837

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.40	3.65
%Net Income to Sales	2.03	2.22
%Net Income to Equity	14.26	14.09
Sales to Inventories	7.72	8.16
Debt to Equity	0.25	—
Working Capital	$ 17,153,000	$ 11,964,000
Current Ratio	2.13	2.01
Shareholders' Equity	$ 27,807,000	$ 23,477,000

The Goodyear Tire & Rubber Company

1144 East Market Street
Akron, Ohio 44316-0001
(216) 796-2121
FAX: (216) 796-2222

Officers: Tom H. Barrett, president & chief executive officer; Jacques R. Sardas, exec. v.p.; F. Vincent Prus, exec. v.p.; Oren G. Shaffer, exec. v.p.; Hoyt M. Wells, exec. v.p.; Robert W. Milk, exec. v.p.; Eugene R. Culler, Jr., exec. v.p.; Frederick J. Kovac, v.p.; Frank R. Tully, v.p.; Robert M. Hehir, v.p.; Earl W. Dahl, v.p.; Dennis E. Dick, v.p.; James W. Barnett, v.p.; Nissim Calderonnn, v.p.; William J. Sharp, v.p.; James K. Devoe, v.p.; Welton Birdwell, v.p.; John M. Ross, v.p. & general counsel; James Boyazis, v.p. & secretary; George R. Hargreaves, Jr., v.p. & treasurer; Lee N. Fiedler, v.p.; John P. Perduyn, v.p.; Louis S. DiPasqua, v.p.; Ludwig H. Seidenthal, v.p. & comptroller; Jesse T. Williams, Sr., v.p.; J. David Wolf, v.p.; Robert M. Gossett, v.p.; Robert P. Easton, asst. treasurer; Richard W. Hauman, asst. treasurer; Patricia A. Kemph, asst. secretary; Hayes A. Jenkins, asst. secretary; Joseph H. Gilchrist, asst. comptroller; H. Jay Elliott, asst. comptroller; George E. Strickler, asst. comptroller; Ronald C. Houser, asst. comptroller; Clifford R. Brown, asst. comptroller.

Directors: Tom H. Barrett, Thomas H. Cruikshank, Stanley C. Gault, Gertrude G. Michelson, Steven A. Minter, Charles W. Parry, Robert H. Platt, Agnar Pytte, F. Vincent Prus, Jacques R. Sardas, Oren G. Shaffer, Lloyd B. Smith, William C. Turner, Hoyt M. Wells.

Business Activities: Development, manufacture, distribution and sale of tires throughout the world. Also produces and sells a broad spectrum of rubber, chemical and plastic products for the transportation industry and various industrial and consumer markets.

Transfer Agent(s):

First Chicago Trust Company of New York
30 W. Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest, Pacific, Tokyo

Ticker Symbol: GT (NYSE)

Number of Retail Outlets:

1989 . . . . 2,200* 1988 . . . . 2,200*

*Figure approximate.

Sales & Earnings

	Net Sales †	Net Income #
1989	$10,869,300,000	$ 206,800,000
1988	10,810,400,000	350,100,000
1987	9,905,200,000	770,900,000
1986	9,040,000,000	124,100,000
1985	8,341,100,000	412,400,000

	No. of Com. Shares	Earn. per Share # +
1989	57,806,869	$ 3.58
1988	57,430,526	6.11
1987	56,986,579	12.73
1986	97,080,482	1.16
1985	108,110,085	3.84

† Of continuing operations only.
# Including extraordinary gain of $17,000,000 ($0.30 per share) in 1989.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Tires	$ 7,880,700	$ 7,985,400
Related prods. & serv.	968,300	911,800
General prods.	2,008,500	1,905,300
Oil transportation	11,800	7,900
Total	$ 10,869,300	$ 10,810,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.80	—	—
1988	1.70	—	—
1987	1.60	—	—
1986	1.60	—	—
1985	1.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 2,143,800,000	$ 37.08
1988	2,027,100,000	35.30
1987	1,834,400,000	32.19
1986	3,002,600,000	30.93
1985	3,507,400,000	32.44

Income Account *
(000's)

Year Ended Dec. 31	1989	1988
Net sales	$ 10,869,300	$ 10,810,400
Other income	175,400	184,[illegible]
Total income	$ 11,044,700	$ 10,994,900
Cost of sales	8,234,700	8,291,000
Expenses	1,863,700	1,745,100
Minority interest	18,600	19,200
Interest expense	271,400	238,000
Unusual items	109,700	78,800
For. curr. exchange	75,700	85,300
Income before taxes	$ 470,900	$ 537,500
Income taxes	281,500	187,400
Net Income	$ 189,400	$ 350,100
Extraord. gain	17,400	—
Net Income & extraord. gain	$ 206,800	$ 350,100

* Included in Costs and Expenses, Depreciation: $383,500,000 in 1989 and $357,100,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 122,500	$ 234,100
Short-term invest.	92,100	10,700
Accts. receiv., net	1,244,600	1,578,400
*Inventories	1,642,000	1,635,500
Prepaid expenses	170,700	99,200
Current Assets	$ 3,271,900	$ 3,557,900
Investments in affil.	125,900	122,300
Accts. & notes receiv.	189,200	313,700
#Fixed assets	4,615,300	4,427,400
Defer. charges	258,000	197,000
Total Assets	$ 8,460,300	$ 8,618,300

Liabilities
(000's)

	1989	1988
Notes payable	$ 316,000	$ 354,200
Long-term debt, curr.	66,400	172,600
Accts. payable	924,000	781,300
Accrued payroll & other comp.	395,600	412,200
Other curr. liab.	278,900	347,200
Income taxes	219,300	391,000
Current Liabilities	$ 2,200,200	$ 2,458,500
Long-term debt & cap. leases	2,963,400	3,044,800
Minority interest	106,400	96,800
Deferred inc. taxes	681,800	555,400
Other liabilites	364,700	435,700
+Common stock	57,800	57,400
Add. paid-in capital	46,500	29,300
Retained earnings	2,278,400	2,175,400
For. curr. trans. adjust.	(238,900)	(235,000)
Total Liabilities & Shareholders' Equity	$ 8,460,300	$ 8,618,300

* At lower of cost or market. Domestic inventories at LIFO; all others at average or standard cost.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	4.33	4.97
% Net Income to Sales	1.74	3.24
% Net Income to Equity	8.83	17.27
Sales to Inventories	6.62	6.61
Debt to Equity	1.56	1.76
Working Capital	$ 1,071,700,000	$ 1,099,400,000
Current Ratio	1.49	1.45
Shareholders Equity	$ 2,143,800,000	$ 2,027,100,000

Gordon Jewelry Corporation

(Acquired by Zale Corporation on June 27, 1989.)

820 Fannin Street
Houston, Texas 77002
(713) 222-8080

Officers: Harry B. Gordon, co-chairman; Aron S. Gordon, co-chairman; Daniel P. Gordon, president & chief exec. officer; W. Lowry Barfield, vice-chairman, chief financial officer & secretary; James C. Gordon, exec. v.p. & chief operating officer; Douglas B. Gordon, exec. v.p.; Stanley J. Hoffman, sr. v.p.-credit administration; Morton Levin, sr. v.p.-traditional store operations; Robert W. Bridel, sr. v.p.-contemporary store operations; Vincent Ambriola, sr. v.p.-corporate information management; Walter H. Harvey, sr. v.p. & treasurer; Gary D. Walther, controller; Nelda R. Brister, asst. secretary & asst. treasurer.

Directors: Harry B. Gordon, Aron S. Gordon, James C. Gordon, W. Lowry Barfield, Daniel P. Gordon, Jack S. Blanton, Roy L. Dye, Jr., Arnold M. Miller, Douglas B. Gordon, L. William Heiligbrodt, Andrew H. Tisch.

Business Activities: Operates a chain of jewelry stores throughout the United States and Puerto Rico. The names of the company's traditional jewelry stores are: Lawton's, Linz Bros., Mermod-Jaccard-King, D.P. Paul, Rost, Sweeney's and J. Herbert Hall Jewelers. The names of the company's contemporary jewelry stores are: Gordon's Jewelers and Daniel's Jewelers.

Divisions:

Contemporary Jewelry Stores Division
Operates 420 Gordon's stores in 41 states and Puerto Rico, and 14 Daniel's stores in Arizona.

Traditional Jewelry Stores Division
Operates 181 jewelry stores in 26 states.

Number of Stores: (at fiscal year end)

	Jewelry Stores	Catalog Showrooms
1988	615	—
1987	613	—
1986	603	58
1985	599	56
1984	605	55

Sales & Earnings

	Net Sales +	Net Income
1988	$ 389,558,895	$ (14,416,053)
1987	388,913,349	(19,223,665)
1986	370,257,998	13,449,907
1985	367,567,998	8,480,241
1984	366,266,850	27,338,600

	No. of Com. Shares ‡	Earn. per Share #
1988	8,460,990	$ —
1987	10,471,534	—
1986	10,503,884	1.24
1985	11,337,374	0.72
1984	11,765,301	2.33

(Loss)
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
# Based on the average number of common shares and common equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Contemporary stores	$ 253,476,667	$ 251,988,319
Traditional stores	136,082,228	136,925,030
Total	$ 389,558,895	$ 388,913,349

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.52	—	—
1987	0.52	—	—
1986	0.52	—	—
1985	0.51	—	—
1984	0.465	—	4-for-3

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 174,694,501	$ 20.65
1987	224,563,605	21.45
1986	249,795,586	23.78
1985	255,705,734	22.55
1984	260,388,634	22.13

‡ Adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1988	1987
Net sales	$ 389,558,895	$ 388,913,349
Cost of sales	215,737,936	230,226,759
Prov. for inventory valuation allow.	—	15,000,000
Expenses	126,411,783	123,075,845
Prov. for doubtful accts.	21,917,811	22,244,064
Interest expense	13,136,874	8,713,522
Loss on asset retirements	3,186,878	1,860,235
Prov. for asset write-off	33,660,666	—
Loss bef. taxes	$ (24,493,053)	$ (12,207,076)
Tax credit	(10,077,000)	(5,765,447)
Loss - cont. oper.	$ (14,416,053)	$ (6,441,629)
Loss - discont. oper.	—	(12,782,036)
Net Loss	$ (14,416,053)	$ (19,223,665)

* Included in Costs and Expenses, Depreciation and Amortization: $8,941,529 in 1988 and $7,835,168 in 1987.

Assets

As of Aug. 31	1988	1987
Cash & cash equiv.	$ 7,652,596	$ 8,126,935
Accts. receiv., net	114,480,696	122,547,782
Other receiv.	5,996,896	12,839,519
*Inventories	180,395,039	221,450,113
Prepaid expenses	433,363	699,672
Current Assets	$ 308,958,590	$ 365,664,021
#Fixed assets	71,686,420	66,548,651
Note receivable	—	20,000,000
Other assets	4,085,020	5,796,182
Total Assets	$ 384,730,030	$ 458,008,854

Liabilities

	1988	1987
Notes payable	$ 123,360,714	$ 127,132,205
Accts. payable	38,155,960	53,462,103
Accruals	16,027,276	14,004,409
Income taxes	3,435,291	4,136,521
Curr. Liabilities	$ 180,979,241	$ 198,735,238
Long-term debt	10,437,974	11,798,688
Deferred in taxes	18,618,314	22,911,323
+Common stock	11,767,544	11,765,544
Add. paid-in capital	24,899,705	24,876,805
Retained earnings	190,262,383	209,339,652
Treasury stock	(52,235,131)	(21,418,396)
Total Liabilities & Shareholders' Equity	$ 384,730,030	$ 458,008,854

* At lower of cost (LIFO & retail) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1988	1987
Sales to Inventories	2.16	1.76
Debt to Equity	0.77	0.62
Working Capital	$ 127,979,349	$ 166,928,783
Current Ratio	1.71	1.84
Shareholders' Equity	$ 174,694,501	$ 224,563,605

Gottschalks Inc.

860 Fulton Mall
Fresno, California 93721
(209) 485-1111
FAX: (209) 266-5238

Officers: Joe Levy, chairman & chief executive officer; Gerald H. Blum, president, secretary & chief operating officer; Robert E. Lawson, exec. v.p. & chief financial officer.

Directors: Joe Levy, chairman of the board; Gerald H. Blum, Sharon Levy, Bret Levy, Karen Blum, Joseph J. Penbera, Charles Johnson.

Business Activities: Operates a chain of 22 "Gottschalk's" department stores, 13 "Petites West" clothing stores for the petite woman, and 15 "Village East" clothing stores for the larger woman. All retail operations are in California.

Subsidiary:

E. Gottschalk & Company Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
50 California Street, Tenth Floor
San Francisco, California 94111

Stock Exchange(s): New York, Pacific

Ticker Symbol: GOT

Number of Stores: (at fiscal year end)

1990	50
1989	43
1988	34
1987	30
1986	28

Sales & Earnings

	Net Sales	Net Income #
1989*	$ 236,765,000	$ 3,401,000
1988	196,026,000	5,198,000
1987	156,623,000	5,648,000
1986	125,924,000	4,021,000
1985	112,785,000	3,005,000

	No. of Com. Shares	Earn. per Share #‡
1989*	7,982,263	$ 0.42
1988	8,114,304	0.63
1987	8,539,329	0.69
1986	7,511,474	0.57
1985	5,500,000	0.55

* 53 weeks.
# Including extraordinary loss of $287,000 ($0.04 per share) in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1 ‡

‡ Declared Mar., 1987.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 51,831,000	$ 6.49
1988	49,717,000	6.13
1987	49,622,000	5.81
1986	29,605,000	3.94
1985	10,861,000	1.97

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 236,765,000	$ 196,026,000
Other income	7,507,000	6,183,000
Total income	$ 244,272,000	$ 202,209,000
Cost of sales	156,013,000	129,731,000
Expenses	71,155,000	56,648,000
Depreciation & amortization	3,883,000	2,441,000
Interest expense	7,531,000	5,299,000
Income before taxes	$ 5,690,000	$ 8,090,000
Income taxes	2,002,000	3,058,000
Net Income	$ 3,688,000	$ 5,032,000
Extraord. loss	(287,000)	—
Cum. effect of acct. change	—	166,000
Net Income & extraord. loss	$ 3,401,000	$ 5,198,000

Assets

As of	2/3/90	1/28/89
Cash	$ 871,000	$ 868,000
Market. secur	1,875,000	—
Accts. receiv., net	52,904,000	48,940,000
*Inventories	36,955,000	30,597,000
Other curr. assets	6,161,000	6,146,000
Current Assets	$ 98,766,000	$ 86,551,000
#Fixed assets	64,952,000	52,754,000
Intangibles	2,393,000	2,450,000
Other assets	322,000	300,000
Total Assets	$ 166,433,000	$ 142,055,000

Liabilities

	2/3/90	1/28/89
Revolv. credit line	$ 37,450,000	$ 20,700,000
Long-term debt, curr.	2,083,000	1,900,000
Accts. payable	7,581,000	6,189,000
Accruals	6,748,000	7,858,000
Accrued payroll	2,767,000	1,676,000
Income taxes	1,952,000	2,919,000
Deferred income taxes	2,212,000	2,960,000
Curr. Liabilities	$ 60,793,000	$ 44,202,000
Long-term debt	44,780,000	40,128,000
Deferred revenue	4,859,000	5,105,000
Deferred inc. taxes	2,174,000	1,570,000
Def. gain - sale/leaseback	883,000	866,000
Other deferred liab.	1,113,000	467,000
+Common stock	80,000	81,000
Add. paid-in capital	22,872,000	24,158,000
Retained earnings	28,879,000	25,478,000
Total Liabilities & Shareholders' Equity	$ 166,433,000	$ 142,055,000

* At LIFO cost, not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	2/3/90	1/28/89
%Income bef. Taxes to Sales	2.40	4.13
%Net Income to Sales	1.56	2.65
%Net Income to Equity	7.12	10.46
Sales to Inventories	6.41	6.41
Debt to Equity	0.90	0.85
Working Capital	$ 37,973,000	$ 42,349,000
Current Ratio	1.62	1.96
Shareholders' Equity	$ 51,831,000	$ 49,717,000

Grafton Group Limited

(51% of the common shares owned by Greywinds Investments Limited)

9 Sunlight Park Road
P.O. Box 108, Postal Station G
Toronto, Ontario, M4M 3G1, Canada
(416) 461-9411
FAX: (416) 461-4660

Officers: W. A. Heaslip, chairman, chief executive officer & president; G. A. Reynolds, v.p.-finance, secretary & treasurer; A. L. Lucas, president & chief operating officer-

Grafton-Fraser Inc. & Elks Inc.; J. F. Seifert, chairman & chief executive officer-Seifert's; R. E. Vanderlinden, vice chairman & chief financial officer; R. L. Holland, president & chief operating officer-Maher Inc.; G.A. Stonehouse, exec. v.p.; R.O. Hutchinson, sr. v.p.; N.E. Philips, sr. v.p.; G. A. Reynolds, Sr. v.p.-Grafton-Fraser Inc.; C.D. Brown, president-Seiferts; N. Hart, exec. v.p.; L. Jones, exec. v.p.-Seiferts; J. C. Arthaud, sr. v.p.-Seiferts; C.R. Boheimer, exec. v.p.-marketing; D. M. Kerr, exec. v.p.-operations; D. I. Fraser, v.p. & chief administrative.

Directors: William A. Heaslip*, chairman; James W. McCutcheon*, H. John McDonald*, George A. Reynolds*, David B. Weldon*, James F. Seifert.

* Member of the Executive Committee

Business Activities: The Company is a specialty retailer of apparel and footwear. In Canada, men's and boys' wear is sold through licensed departments in 121 Woolco Department Stores. Menswear is sold through 171 Jack Fraser, 25 Grafton & Co., 60 Elks, and 27 George Richards Kingsize Clothes stores. Womenswear is sold through 19 Madison and three International Zone stores. Fashion coordinated casual wear is sold through 14 Bimini stores. Leisurewear for men, women and children is sold through 13 Baja Beach Club stores. Footwear is sold in 290 shoe stores through Maher, Julia, Footpath and licensed departments.

In the United States, the Company operates 221 ladieswear stores under the Siefer's, La Vogue by Seifert's, Mark Henri, and Seifert's Plus names in 26 states.

Divisions and Subsidiaries:

Jack Fraser Stores
Grafton-Fraser, Inc.
Grafton & Co.
George Richards Kingsize Clothes Limited (50%-owned)
Grafton Realty Company, Limited
Maher Inc.
James B. McGregor
Forsyth Trading Company Limited (joint venture; 26.67% interest)
Seifert's Incorporated
Baja Beach Club
International Zones
Madison
Woolco Department Stores
Elks Inc. (66%-owned)

Transfer Agent(s):

Central Guaranty Trust Company of Canada

Stock Exchange(s): Toronto

Ticker Symbol: GFG T

Number of Stores: (at fiscal year end)

1990	1,205	1987	1,135
1989	1,153	1986	1,003
1988	1,123		

Sales & Earnings

	Net Sales †	Net Income +
1990	$ 580,887,000	$ (24,473,000)
1989	526,783,000	8,860,000
1988	503,499,000	(3,186,000)
1987	474,320,000	22,703,000
1986	427,671,000	26,373,000

	No. of Com. Shares ‡	Earn. per Share +‡
1990	18,739,000	$ —
1989	18,739,000	0.40
1988	18,739,000	—
1987	18,739,000	1.13
1986	18,739,000	1.32

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $526,000 ($0.03 per share) in 1989, $127,000 ($0.01 per share) in 1987, $886,000 ($0.04 per share) in 1986 and $728,000 ($0.04 per share) in 1985.
‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Retail:		
Apparel	$ 489,547,000	$ 450,941,000
Footwear	91,340,000	75,842,000
Total	$ 580,887,000	$ 526,783,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.14	—	—
1989	0.32	—	—
1988	0.32	—	—
1987	0.30	—	—
1986	0.23	—	3-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1990	$ 104,855,000	$ 5.60
1989	132,956,000	7.10
1988	135,056,000	7.21
1987	147,485,000	7.87
1986	132,368,000	7.06

# After allowing for preferred stock at redemption value.
‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 580,887	$ 526,783
Cost of sales & expenses	489,512	429,882
Rental expense	64,151	57,131
Interest income	(4,166)	(4,137)
Depreciation	14,688	12,860
Amortization of goodwill	386	474
Interest expense	11,319	8,514
For. exch. gain	(14)	(61)
Gain on sale of secur.	(77)	(555)
Prov. for loss on oil prop.	—	901
Gain on sale of land & bldg.	(1,885)	(745)
Other income	—	(720)
Income before taxes	$ 6,973	$ 23,239
Income taxes	3,692	8,373
Minority interest	(1,359)	299
Inc.-cont. oper.	$ 4,640	$ 14,567
Loss-discont. oper.	(29,113)	(6,233)
Net Income (Loss)	$ (24,473)	$ 8,334
Extraord. gain	—	526
Net Income (Loss) & extraord. gain	$ (24,473)	$ 8,860

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 24,923	$ 52,068
Marketable securities	13,244	26,190
Accts. receiv., net	26,679	26,633
Mortg. receiv.	425	—
Recov. inc. taxes	3,991	8,704
Deferred income taxes	2,077	2,355
*Inventories	83,818	76,145
Prepaid exp. & deposits	3,012	3,046
Current Assets	$ 158,169	$ 195,141
Investments	14,455	14,371
Deferred inc. taxes	3,861	—
#Fixed assets	78,403	69,532
Unamort. fin. costs	67	83
Intangibles	11,098	11,471
Net assets-discont. oper.	—	25,866
Total Assets	$ 266,053	$ 316,464

Liabilities
(000's)

Bank advances	$ 6,429	$ —
Long-term debt	2,964	564
Cap. lease oblig., curr.	1,001	997
Accts. payables & accruals	82,146	119,568
Income & other taxes	3,229	764
Net liab.-discont. oper.	10,873	—
Curr. Liabilities	$ 106,642	$ 121,893
Long-term debt	33,911	33,687
Cap. lease oblig.	2,867	3,865
Minority interest	1,349	3,383
Deferred inc. taxes	—	3,535
+Preferred stock	1,561	1,626
++Class A shares	6,483	6,483
+++Common stock	1,621	1,621
For. curr. adjust.	(1,541)	(1,822)
Retained earnings	113,160	142,193
Total Liabilities & Shareholders' Equity	$ 266,053	$ 316,464

* Retail inventories at lower of cost and net realizable value, less normal profit margin.
# Less accumulated depreciation.
+ No par value; $3 cumulative.
++ No par value; non-voting.
+++ No par value.

Statistical Summary

%Net Income to Equity	—	5.55
Sales to Inventories	6.93	6.92
Debt to Equity	0.39	0.26
Working Capital	$ 51,527,000	$ 73,248,000
Current Ratio	1.48	1.60
Shareholders' Equity	$ 121,284,000	$ 150,101,000

The Grand Union Company

(A wholly owned subsidiary of GU Acquisition Corporation, a private corp.)

201 Willowbrook Boulevard
Wayne, New Jersey 07470
(201) 890-6000

Officers: Floyd Hall, chairman of the board & chief exec. officer; Joseph J. McCaig, president & chief operating officer; Henry T. Johnson, exec. v.p. & chief administrative officer; William A. Louttit, exec. v.p.-merchandising; Robert Terrence Galvin, sr. v.p., chief financial officer & secretary; Bradley C. Johnson, sr. v.p.-real estate & development; William M. Reffett, sr. v.p.-personnel; Charles J. Barrett, v.p.-labor relations; Kenneth R. Baum, v.p. & controller; Jack Calderone, v.p.-meat merchandising; William Hoffert, v.p.-gen. mdse. merchandising; Roger W. Kennedy, v.p. & treasurer; William E. Kinslow, v.p.-mgmt. info. systems; William Lehrburger, v.p.-advertising; Brooke D. Lennon, v.p.-grocery merchandising; Ronald L. Lunde, v.p.-merchandise operations; Anthony P. Misasi, v.p.-produce merchandising; Robert E. Mohel, v.p.-quality control; Robert J. Saba, v.p.-Northern Region; Bryan Springthorpe, v.p.-distribution; Darrell W. Stine, v.p.-New York Region; Craig C. Sturken, v.p.-Southern Region; Donald C. Vaillancourt, v.p.-corporate communications & consumer affairs.

Directors: Floyd Hall, chairman; Gilberte E. Beaux, Ian M. Duncan, Robert Terrence Galvin, Luce Gendry, Milton Glaser, Sir James Goldsmith, Bradley C. Johnson, Henry T. Johnson, William A. Louttit, Joseph J. McCaig, William M. Reffett, Jivan Tabibian, Jane von der Heyde.

Business Activities: Operates chains of four specific store types: supermarkets, community stores, food markets, and food centers.

Number of Stores:

1988	N.A.	1986	371
1987	369	1985	383

N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income
1989	$ 2,716,896,000	$ 43,405,000
1988*	2,872,148,000	22,145,000
1987	2,745,553,000	34,125,000
1986	2,611,616,000	20,493,000
1985	2,529,392,000	5,328,000

	No. of Com. Shares	Earn. per Share
1989	801.5	$ —
1988*	801.5	—
1987	801.5	—
1986	801.5	—
1985	801.5	—

* 53 weeks.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 274,992,000	$ —
1988	328,387,000	—
1987	197,088,000	—
1986	162,963,000	—
1985	142,470,000	—

Income Account
(000's)

Year ended	4/1/89 (53 weeks)	4/2/88
Net sales	$ 2,716,896	$ 2,872,148
Cost of sales	2,039,525	2,182,366
Expenses	544,359	554,249
Depreciation & amortization	40,639	40,079
Interest expense	15,147	19,483
Interest income	(308)	(1,133)
Inc. bef. taxes	$ 73,615	$ 35,945
Income taxes	30,210	13,800
Net Income	$ 43,405	$ 22,145

Assets
(000's)

As of	4/1/89	4/2/88
Cash	$ 7,493	$ 8,297
Accts. receiv., net	23,406	28,467
*Inventories	234,862	223,541
Prepaid inc. taxes	19,736	16,883
Prepaid expenses	17,297	16,140
Props. held for sale	1,181	35,262
Current Assets	$ 303,975	$ 328,590
#Fixed assets	390,198	357,723
Cost in exc. of assets acq.	10,517	10,830
Other assets	8,514	4,601
Total Assets	$ 713,204	$ 701,744

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 18,089	$ 3,966
Accts. payable & accruals	190,150	198,266
Income taxes	30,057	1,081
Curr. Liabilities	$ 238,296	$ 203,313
Long-term debt	69,604	46,533
Cap. lease oblig.	66,339	66,704
Def. pension oblig.	10,319	13,353
Deferred inc. taxes	22,901	23,882
Other liabilities	30,753	19,572
+Common stock	40,077	40,077
Add. paid-in capital	216,842	216,842
Retained earnings	18,073	71,468
Total Liabilities & Shareholders' Equity	$ 713,204	$ 701,744

* At lower of cost (LIFO & aveage) or market.
# Less accumulated depreciation.
+ $50,000 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.71	1.25
%Net Income to Sales	1.60	0.77
%Net Income to Equity	15.78	6.74
Sales to Inventories	11.57	12.85
Debt to Equtiy	0.56	0.36
Working Capital	$ 65,679,000	$ 125,277,000
Current Ratio	1.28	1.62
Shareholders' Equity	$ 274,992,000	$ 328,387,000

The Great Atlantic & Pacific Tea Company, Inc.

Box 418
2 Paragon Drive
Montvale, New Jersey 07645
(201) 573-9700
FAX: (201) 930-4079

(52.5%-owned by Tengelmann Warenhandels-Gesellschaft)

Officers: James Wood, chairman of the board, president & chief exec. officer; James W. Rowe, vice chairman of the board; Fred Corrado, exec. v.p., chief fin. officer & treasurer; Michael J. Larkin, exec. v.p., operations; Aaron Malinsky, exec. v.p., subsidiary companies; Peter J. O'Gorman, exec. v.p., development; George Graham, sr. v.p. & chief merch. officer; James L. Madden, sr. v.p., operations; Ivan K. Szathmary, sr. v.p., & chief services officer; Robert G. Ulrich, sr. v.p. & general counsel; Ernest H. Berthold, v.p. & asst. to CEO; Peter R. Brooker, v.p., planning & secretary; Timothy J. Courtney, v.p., taxation; R. Paul Gallant, president, Compass Foods; Kenneth W. Green, v.p., produce merch. & procure.; Clifford J. Horler, v.p., engineering & construction; Robert A. Keenan, v.p. & chief int. audit; Peter R. Lavoy, v.p., corp. merch.; Francis X. Leonard, v.p., real estate adm.; H. Nelson Lewis, v.p., human resources; Mary Ellen Offer, asst. corp. secretary; Peter E. Rolandelli, v.p., management info. syst.; Michael J. Rourke, v.p., communications & corp. affairs; Richard J. Scola, v.p. & asst. gen. counsel; J. Paul Stillwell, president, Supermarket Service Corp.; William J. Tennant, v.p. & controller; Robert W. Toomey, v.p., Michigan Group; Burton J. Weinbaum, president, A&P Northeast; William T. Wolverton, v.p., warehousing & transportation.

Directors: James Wood*, chairman; Rosemarie Baumeister. Christopher F. Edley, Helga Haub*, Barbara Barnes Hauptfuhrer*, Paul C. Nagel, Jr., James W. Rowe*, Eckart C. Siess*, Fritz Teelen, Henry W. Van Baalen.

* Member of the Executive Committee

Business Activities: Operates a chain of supermarkets under the A&P, Super Fresh, Family Mart, Farmer Jack, Kohl's, Waldbaum's, Food Emporium, Food Mart, Food Bazaar, Sav-A-Center, Sun, Futurestore, Dominion and Compass Food names in the United States and Canada.

Subsidiaries:

Waldbaum, Inc.
Operates supermarkets in the New York, Connecticut and Massachusetts area.

Borman's, Inc.
Operates retail supermarkets principally in the metropolitan Detroit area under the tradename of Farmer Jack.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Boston*, Cincinnati*, Midwest*, Philadelphia*, Pacific* *Unlisted trading privileges.

Ticker Symbol: GAP

Number of Stores: (at fiscal year end)

1989	1,215	1986	1,200
1988	1,241	1985	1,045
1987	1,183		

Sales & Earnings

	Net Sales	Net Income ‡
1989	$11,147,997,000	$ 146,698,000
1988	10,067,776,000	127,582,000
1987	9,531,780,000	103,443,000
1986*	7,834,859,000	95,010,000
1985	6,615,422,000	88,290,000

	No. of Com. Shares +	Earn. per Share ‡ +
1989	38,198,000	$ 3.84
1988	38,164,000	3.34
1987	38,106,000	2.71
1986*	38,017,000	2.50
1985	37,839,000	2.33

* 53 weeks.
‡ Including extraordinary gains of $26,000,000 ($0.68 per share) in 1986 and $32,200,000 ($0.85 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.675	—	—
1988	0.575	—	—
1987	0.475	—	—
1986	0.400	—	—
1985	0.100	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 1,092,164,000	$ 28.59
1988	970,843,000	25.42
1987	851,310,000	22.32
1986	755,718,000	19.85
1985	668,688,000	17.63

Income Account *
(000's)

Year ended	2/24/90	2/25/89
Net sales	$ 11,147,997	$ 10,067,776
Cost of sales	8,211,263	7,481,373
Expenses	2,628,621	2,319,044
Interest expense	73,474	48,535
Interest income	(16,159)	(4,958)
Income before taxes	$ 250,798	$ 223,782
Income taxes	104,100	96,200
Net Income	$ 146,698	$ 127,582

* Included in Costs and Expenses, Depreciation and Amortization: $179,676,000 in 1989 and $150,691,000 in 1988.

Assets
(000's)

As of	2/24/90	2/25/89
Cash & short-term invest.	$ 35,059	$ 44,496
Accts. receiv., net	164,000	152,037
*Inventories	836,181	829,229
Prepaid expenses	38,358	39,105
Properties held for sale	2,269	3,879
Current Assets	$ 1,075,867	$ 1,068,746
#Fixed assets	1,526,183	1,501,897
Other assets	229,522	69,727
Total Assets	$ 2,831,572	$ 2,640,370

Liabilities
(000's)

Long-term debt, curr.	$ 54,869	$ 60,619
Cap. lease oblig., curr.	20,677	21,052
Accts. payable	522,640	531,749
Accrued payroll	156,175	148,959
Accrued taxes	77,106	73,699
Other accruals	164,219	142,031
Current Liabilities	$ 995,686	$ 978,109
Long-term debt	329,286	254,312
Cap. lease oblig.	233,564	252,618
Deferred inc. taxes	88,775	57,167
+Common stock	38,212	38,199
Add. paid-in capital	437,913	436,786
Cum. trans. adjust.	1,946	2,694
Retained earnings	614,435	493,522
Treasury stock	(342)	(358)
Total Liabilities & Shareholders' Equity	$ 2,831,572	$ 2,640,370

* Store inventories at lower of cost or market with cost determined under the retail method. Other inventories at lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.25	2.22
% Net Income to Sales	1.32	1.27
% Net Income to Equity	13.43	13.14
Sales to Inventories	13.33	12.14
Debt to Equity	0.58	0.61
Working Capital	$ 80,181,000	$ 90,637,000
Current Ratio	1.08	1.09
Shareholders Equity	$ 1,092,164,000	$ 970,843,000

Greenman Bros. Inc.

105 Price Parkway
Farmingdale, New York 11735
(516) 293-5300
FAX: (516) 293-7392

Officers: Bernard Greenman, chairman of the board; Stanley Greenman, vice chairman, chief exec. officer & treasurer; Stewart Katz, president, chief operating officer & asst. secretary; William A. Johnson, Jr., v.p., controller & acting chief financial officer; Alan Chaikin, chairman & chief exec. officer-Circus World Toy Stores, Inc..

Directors: Bernard Greenman*, Stewart Katz*, Jack Greenman, Stanley Greenman*, Stanley Strocker*, Joshua Biblowitz, Jerry Kassel, Benjamin Zdatny, Alan Chaikin, Howard Kaufman.

* Member of the Executive Committee

Business Activities: Operates a chain of 326 toy specialty stores located in shopping malls in 32 states under the names "Circus World" and "Playland." Also operates five free-standing "Playworld" retail toy stores and 3 leased toy departments in New York and Michigan. Also engaged in wholesaling of toys, games, hobbycrafts, housewares and stationery in New York, New Jersey, Florida, Georgia and Indiana.

Subsidiary:

Circus World Toy Stores, Inc.

Acquisition:

Liberty Distributors, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York

Stock Exchange(s): American

Ticker Symbol: GMN

Number of Stores: (at fiscal year end)

1989	326	1986	332
1988	326	1985	304
1987	334		

Sales & Earnings

	Net Sales	Net Income
1990*	$ 295,955,000	$ 2,406,000
1989	266,706,000	1,804,000
1988	242,701,000	(2,863,000)
1987	244,238,000	(3,507,000)
1986	218,009,000	7,020,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	6,228,835	$ 0.39
1989	6,004,788	0.30
1988	5,994,273	—
1987	5,968,586	—
1986	5,583,169	1.26

(Loss)
* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Wholesale	$ 106,061,000	$ 89,863,000
Retail	189,894,000	176,843,000
Total	$ 295,955,000	$ 266,706,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 55,690,000	$ 8.94
1989	53,171,000	8.85
1988	51,366,000	8.57
1987	54,195,000	9.08
1986	57,899,000	10.37

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended	2/28/89 (53 weeks)	1/28/89
Net sales	$ 295,955,000	$ 266,706,000
Cost of sales	190,515,000	171,396,000
Expenses	90,338,000	81,482,000
Depreciation	6,092,000	6,445,000
Interest expense	4,969,000	4,346,000
Inc. bef. taxes	$ 4,041,000	$ 3,037,000
Income taxes	1,635,000	1,233,000
Net Income	$ 2,406,000	$ 1,804,000

Assets

As of	2/3/90	1/28/89
Cash	$ 930,000	$ 3,090,000
Accts. receiv., net	15,233,000	12,264,000
*Inventories	66,684,000	57,895,000
Other curr. assets	3,496,000	2,909,000
Current Assets	$ 86,343,000	$ 76,158,000
#Fixed assets	27,985,000	30,267,000
Other assets	4,217,000	3,793,000
Total Assets	$ 118,545,000	$ 110,218,000

Liabilities

Cap. lease oblig., curr.	$ 133,000	$ 40,000
Accts. payable	27,620,000	22,064,000
Accruals	9,065,000	8,879,000
Inc. taxes pay.	2,527,000	2,234,000
Curr. Liabilities	$ 39,345,000	$ 33,217,000
Long-term debt	20,000,000	20,000,000
Cap. lease oblig.	1,291,000	896,000
Def. taxes on income	2,219,000	2,934,000
+ Common stock	604,000	602,000
Add. paid-in capital	25,229,000	25,118,000
Retained earnings	30,062,000	27,656,000
Treasury stock	(205,000)	(205,000)
Total Liabilities & Shareholders' Equity	$ 118,545,000	$ 110,218,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.37	1.14
%Net Income to Sales	0.81	0.68
%Net Income to Equity	4.32	3.39
Sales to Inventories	4.44	4.61
Debt to Equity	0.38	0.39
Working Capital	$ 46,998,000	$ 42,941,000
Current Ratio	2.19	2.29
Shareholders' Equity	$ 55,690,000	$ 53,171,000

Grossman's Inc.

(formerly Evans Products Company)

200 Union Street
Braintree, Massachusetts 02184-4997
(617) 848-0100
FAX: (617) 843-5997

Officers: Maurice Grossman, chairman of the board, president & chief executive officer; Stanley G. Berman, exec. v.p.-administration; Everett P. Grossman, exec. v.p.-real estate and development; Sidney L. Katz, exec. v.p., chief financial officer & treasurer; Frank J. Lynch, exec. v.p. & gen. mgr.-Western Division; Bruce L. Weitz, exec. v.p & gen. mgr. -Eastern Division; Richard L. Dawley, v.p. & controller; Robert L. Flowers, v.p.-real estate; Richard E. Kent, v.p., secretary & general counsel; Arthur S. Ryan, v.p. & director-corp. taxes; Michael S. Bergman, v.p. & dir.-management information systems; Edward J. Vozzella, asst. treasurer.

Directors: Maurice Grossman, chairman of the board; Russell Cox, John Grey, Leo Kahn, Thomas M. Macioce, Robert Swanson, Harold Tanner, Alan Washkowitz, Abraham Zaleznik.

Business Activities

Operates 156 building materials and home improvement stores in 17 states under the names "Grossman's" and "Moore's." More than half of the Company's stores are located in the Northeast.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-1815

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GROS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	156	1986	272
1988	246	1985	276
1987	258		

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 1,052,095,000	$ 15,777,000
1988*	1,141,602,000	13,235,000
1987	1,077,297,000	17,840,000
1986	1,006,664,000	152,137,000
1985	875,587,000	(232,807,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	26,137,000	$ 0.60
1988*	26,133,000	0.50
1987	26,131,000	0.79
1986	20,000,000	7.61
1985	13,809,000	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary gain of $224,778,000 ($11.24 per share) in 1986 and extraordinary losses of $1,867,000 ($0.07 per share) in 1989 and $2,006,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 117,141,000	$ 4.48
1988	101,338,000	3.88
1987	88,153,000	3.37
1986	25,221,000	1.26
1985	(128,378,000) ‡	—

(Deficiency)
‡ After allowing for preferred stock at stated value.

Income Account
(000's)

Year ended Dec. 31	1989 (53 weeks)	1988
Net sales	$ 1,052,095	$ 1,141,602
Cost of sales	755,708	809,325
Expenses	258,105	286,869
Depreciation & amortization	13,435	11,904
Store preopening exp.	806	5,019
Interest expense	19,818	22,013
Interest income	(11,101)	(7,562)
Gain on sales of divisions	(4,065)	—
Income before taxes	$ 19,389	$ 14,034
Income taxes	1,745	799
Net Income	$ 17,644	$ 13,235
Extraord. loss	(1,867)	—
Net Income & extraord. loss	$ 15,777	$ 13,235

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 43,529	$ 20,480
Accts. receiv., net	35,514	49,920
*Inventories	132,825	164,364
Other curr. assets	4,263	4,465
Current Assets	$ 216,131	$ 239,229
#Fixed assets	107,602	156,722
Total Assets	$ 323,733	$ 395,951

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 17,378	$ 19,602
Accts. payable & accruals	97,204	108,174
Accrued interest	4,226	6,263
Curr. Liabilities	$ 118,808	$ 134,039
Long-term debt & cap. lease oblig.	87,784	160,574
+Common stock	261	261
Add. paid-in capital	155,865	155,839
Retained earnings (deficit)	(38,927)	(54,704)
Treasury stock	(58)	(58)
Total Liabilities & Shareholders' Equity	$ 323,733	$ 395,951

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.84	1.23
%Net Income to Sales	1.68	1.16
%Net Income to Equity	15.06	13.06
Sales to Inventories	7.92	6.95
Debt to Equity	0.90	1.78
Working Capital	$ 97,323,000	$ 105,190,000
Current Ratio	1.82	1.78
Shareholders' Equity	$ 117,141,000	$ 101,338,000

Hancock Fabrics, Inc.

3406 West Main Street
Tupelo, Mississippi 38803-2400
(601) 842-2834
FAX: (601) 842-2834

Mailing address:
P.O. Box 2400
Tupelo, Mississippi 38803-2400

Officers: Morris O. Jarvis, chairman, chief exec. officer & president; Donald L. Richey, exec. v.p. & dir.-retail operations; Larry G. Kirk, v.p.-chief financial officer & secretary; Dean W. Abraham, v.p. & operations manager; Jack W. Busby, Jr., v.p. & operations manager; James A. Gilmore, v.p. & operations manager; Billy M. Morgan, v.p. & operations manager; David H. Jensen, v.p.-personnel; R. Brock Pope, v.p. & warehouse notions operations mgr.; William D. Smothers, v.p.-real estate; Charles R. Warren, v.p. & warehouse fabric operations mgr.; Carl W. Zander, v.p. & head fabrics buyer.

Directors: Morris O. Jarvis, chairman; Don L. Fruge, Ivan Owen, Donald L. Richey, Donna L. Weaver.

Business Activities: Operates 402 retail fabric stores in 30 states under the names "Hancock Fabrics," "Minnesota Fabrics," "Fabric Warehouse" and "Fabric Market." Also engages in the wholesale distribution of fabrics, crafts, and related home sewing accessories.

Transfer Agent(s):

Citizens and Southern Trust Company, N.A.
33 North Avenue
Atlanta, Georgia 30308

Stock Exchange(s): New York

Ticker Symbol: HKF

Number of Stores: (at fiscal year end)

1989	402	1987	346
1988	366		

NOTE: Hancock Fabrics became a publicly owned company as the result of the distribution of its common stock to the stockholders of Lucky Stores on May 4, 1987. The pro forma information is shown to reflect net earnings per share as if the recapitalization of Hancock Fabrics had taken place at the beginning of each period and as if Hancock Fabrics had been a stand alone entity.

Sales & Earnings

	Net Sales	Net Income
1989	$ 345,819,000	$ 25,957,000
1988	315,406,000	22,018,000
1987	297,979,000	20,785,000
1986	289,940,000	23,466,000
1985	281,643,000	18,567,000

	No. of Com. Shares	Earn. per Share ‡
1989	11,558,000	$ 2.11
1988	12,759,000	1.71
1987+	12,758,000	1.53
1986+	12,860,000	1.49
1985	12,758,000	—

+ Pro forma.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.10	—	—
1987	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 85,676,000	$ 7.41
1988	105,791,000	8.29
1987	88,864,000	6.97
1986	167,918,000	13.06
1985	144,452,000	11.32

Income Account
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 345,819	$ 315,406
Cost of sales	179,896	167,227
Expenses	119,406	108,029
Depreciation & amortization	3,679	3,427
Interest expense	2,886	2,724
Interest income	(1,397)	(1,043)
Income before taxes	$ 41,349	$ 35,042
Income taxes	15,392	13,024
Net Income	$ 25,957	$ 22,018

Assets
(000's)

As of	1/28/90	1/29/89
Cash	$ 6,979	$ 15,483
Accts. receiv., net	2,928	2,334
*Inventories	143,595	131,465
Prepaid expenses	246	418
Current Assets	$ 153,748	$ 149,700
Notes receivable	892	624
#Fixed assets	20,940	19,616
Other assets	5	48
Total Assets	$ 175,585	$ 169,988

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 276	$ 307
Accts. payable	35,033	22,069
Accruals	13,023	10,502
Income taxes	762	632
Deferred income taxes	2,530	2,745
Curr. Liabilities	$ 51,624	$ 36,255
Long-term debt	35,000	25,000
Cap. lease oblig.	823	1,100
Deferred inc. taxes	2,080	1,676
Other liabilities	382	166
+Common stock	130	127
Add. paid-in capital	6,817	1,298
Retained earnings	124,431	104,366
Treasury stock	(42,028)	—
Deferred compensation	(3,674)	—
Total Liabilities & Shareholders' Equity	$ 175,585	$ 169,988

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.96	11.11
%Net Income to Sales	7.51	6.98
%Net Income to Equity	30.30	20.81
Sales to Inventories	2.41	2.40
Debt to Equity	0.42	0.25
Working Capital	$ 102,124,000	$ 113,445,000
Current Ratio	2.98	4.13
Shareholders' Equity	$ 85,676,000	$ 105,791,000

Hannaford Bros. Co.

145 Pleasant Hill Road
Scarborough, Maine 04074
(207) 883-2911
FAX: (207) 883-2911

Mailing Address:
P.O. Box 1000
Portland, Maine 04104

Officers: James L. Moody, Jr., chairman of the board & chief executive officer; Hugh G. Farrington, president & chief operating officer; Roger W. Hoyt, sr. v.p.-retail operations; Everett F. Johnson, v.p.-government relations & administrative services; Virgil E. Beane, v.p.-distribution; Norman E. Brackett, v.p.-management services; Gerard J. Geant, v.p.-corp. development; Andrew P. Geoghegan, v.p. & general counsel; Larry A. Plotkin, v.p.-Wellby Super Drug Stores; James J. Jermann, v.p.-merchandising; Robert E. Dunton, v.p.-general merchandise; Katherine M. Greenleaf, v.p.-human resources; Margaret M. Urquhart, v.p.-Wellby Super Drug Stores; Albert F. Carville, Jr., v.p.-technical services; Robert F. Wade, treasurer; Robert B. Williamson, Jr., secretary & clerk; Charles H. Crockett, asst. secretary; Peter B. Webster, asst. secretary.

Directors: William D. Ireland, Jr.*, David F. Sobey*, James L. Moody, Jr.*, Florence C. Petrlik, John J. Russell*, Walter J. Salmon*, William A. Andres, Duane Peters, Hugh G. Farrington*, William T. End, Robert D. Bolinder, James W. Gogan.

* Member of the Executive Committee

Business Activities: Sells food and non-food items through 76 wholly owned Shop'n Save, Sun Foods or Martin's supermarkets in Maine, New Hampshire, Massachusetts, Vermont and upstate New York. The Company also operates 42 wholly owned Wellby Super Drug Stores and 20 separate pharmacies within supermarkets or combination stores. In addition, the Company owns a wholesale distributor of specialty foods, general merchandise, pharmaceuticals, and health and beauty aids.

Subsidiaries:

The Sampson Supermarkets, Inc.
Sun Foods, Inc.
Cottle's Shop'n Save, Inc.
Shop-Rite Supermarkets, Inc.
Shop'n Save Co., Inc.
Analytical Services, Inc.
Wellby Super Drug Stores, Inc.
South Paris Shop N'Save, Inc.
Martin's Food of South Burlington, Inc.
Gay's Super Markets, Inc.
Progressive Distributors, Inc.
Hanbro, Inc.
Hannaford Properties, Inc.
Reece Development, Inc.
Shop'n Save Realty, Inc.
Hannaford Trucking Company
Second Hannaford Properties, Inc.
Third Hannaford Properties, Inc.
MB-Save, Inc.
Shopping Center Properties, Inc.
Warehouse Properties, Inc.
Reece Development, Inc. (Me.)
Plain Street Properties, Inc.
Mr. B's Enterprises
MB-Super, Inc.
MB-Mass., Inc.
MB-New York, Inc.
Shop'n Save-Mass., Inc.
MB-Fir, Inc.
MB-Hemlock, Inc.
MB-Pine, Inc.
MB-Maple, Inc.
MB-Elm, Inc.
Freezer Properties, Inc.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: HRD

Number of Stores: (at fiscal year end)

1989	118
1988	108
1987	100
1986	102
1985	101

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 1,520,600	$ 39,302
1988	1,261,668	28,949
1987	1,033,418	24,083
1986*	910,202	18,817
1985	816,775	14,399

	No. of Com. Shares ‡	Earn. per Share ‡
1989	19,434,000	$ 2.01
1988	18,756,000	1.54
1987	18,518,000	1.30
1986*	18,358,000	1.02
1985	16,590,000	0.87

* 53 weeks.
‡ Based on the weighted averaged number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.360	—	—
1988	0.320	—	3-for-2
1987	0.280	—	—
1986	0.250	—	—
1985	0.238	50%	—

† Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 214,058,646	$ 10.96
1988	167,105,375	8.86
1987	140,070,016	7.54
1986	119,800,819	6.50
1985	104,508,772	5.72

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	12/30/89	12/31/88
Net sales	$ 1,520,599,921	$ 1,261,668,253
Cost of sales	1,162,576,269	971,717,324
Expenses	285,595,264	233,600,475
Interest expense	9,980,308	7,652,409
Income before taxes	$ 62,448,080	$ 48,698,045
Income taxes	25,019,816	18,815,221
Minority interest	—	934,141
Cum. effect of acct. change	(1,874,000)	—
Net Income	$ 39,302,264	$ 28,948,683

* Included in Costs and Expenses, Depreciation and Amortization: $28,130,442 in 1989 and $23,825,551 in 1988.

Assets

As of	12/30/89	12/31/88
Cash & cash items	$ 6,653,547	$ 3,724,783
Notes & accts. receiv.	9,816,489	9,848,840
*Inventories	112,224,562	92,569,835
Prepaid expenses	2,644,444	2,311,962
Deferred inc. taxes	1,775,000	1,925,000
Current Assets	$ 133,114,042	$ 110,380,420
#Fixed assets	288,837,347	233,210,459
Oblig. under cap. leases	24,781,149	18,564,318
Investments	1,883,840	5,005,088
Other assets	21,582,832	20,074,848
Total Assets	$ 470,199,210	$ 387,235,133

Liabilities

Long-term debt, curr.	$ 3,482,352	$ 3,251,913
Oblig. under cap. lease, curr.	1,191,865	1,079,356
Accts. payable	55,937,088	49,949,948
Accrued payroll	14,550,793	11,365,448
Other accruals	16,363,740	14,241,552
Income taxes	4,123,497	3,509,134
Curr. Liabilities	$ 95,649,335	$ 83,397,351

Long-term debt	94,309,507	77,016,649
Oblig. under cap. lease	29,823,936	23,238,797
Deferred tax liab.	19,703,575	16,322,682
Other liabilities	13,873,211	11,839,400
Minority interest	—	5,533,879
+Redeem. preferred stock	2,781,000	2,781,000
++Common stock	14,648,542	14,152,528
Add. paid-in capital	63,493,589	49,066,156
Pref. stock purch. rights	195,314	188,700
Retained earnings	135,721,201	103,697,991
Total Liabilities & Shareholders' Equity	$ 470,199,210	$ 387,235,133

• At lower of cost (FIFO) or market; groceries, pharmaceuticals and general merchandise at LIFO cost.
# Less accumulated depreciation.
+ $100 par value.
++ $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.11	3.86
%Net Income to Sales	2.58	2.29
%Net Income to Equity	18.36	17.32
Sales to Inventories	13.55	13.63
Debt to Equity	0.60	0.63
Working Capital	$ 37,464,707	$ 26,983,069
Current Ratio	1.39	1.32
Shareholders' Equity	$ 214,058,646	$ 167,105,375

Hanson Plc

1 Grosvenor Place
London, SW1X 7JH, England
(01) 245-1245
FAX: (01) 235-3455

Directors: Lord Hanson, chairman; D. N. Rosling, vice chairman; M.G. Taylor, vice chairman; B. A. Hellings, A. Hagdrup, J.G. Raos, A. G. L. Alexander, C. G. F. Harding, R.I.J. Agnew, D. C. Bonham, Charles H. Price, 111, D. H. Clarke, asssociate director; A. R. Cotton, associate director; P. J. Harper, associate director; R. S. Fulford, associate director; G. Dransfield, M.J. Ablett, S. Park.

Business Activities: In the retail area, the Company operates Allders Department Stores in the United Kingdom, approximately 400 Endicott Johnson shoe stores across the United States, duty- and tax-free shops at airports in Canada and Australia, and 215 Ground Round restaurants in the United States. In addition, through its subsidiaries in the United Kingdom and United States, the Company manufactures portable electronic typewriters and word processors, incandescent and fluorescent lighting fixtures, jacuzzis, hydraulic cranes, automotive heats and air-conditioning systems, domestic credit gas meters, living flame gas fires and gas fired wall heaters, wiring accessories and circuit breakers, dry cell batteries; moulded components, custom machined parts, and powdered metals and specialty materials, all for the automotive industry; production equipment for the oil and gas industries, cement, textile products, footwear, tobacco, bricks, lumber, wood windows and doors, garden and industrial tools, office furniture, metal snap fasteners, paper forms and supplies, pre-engineered metal buildings, food products, and titanium dioxide, a white pigment used in the manufacture of a variety of products.

Subsidiaries:

CONSUMER - U.K.

Imperial Tobacco Limited
P.O. Box 244
Hartcliffe, Bristol BS99 7UJ
(0272) 781111
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London N14 5AQ
(01) 882-8661
Dry cell batteries.

Allders Limited
84 Southampton Road
Eastleigh, Hants
(0703) 644599
Operates department stores and duty- and tax-free shops.

CONSUMER - U.S.A.

Carisbrook Industries Inc. (Yarn)
1114 Avenue of the Americas
New York, New York 10036
(212) 398-1180
Yarns, soft furnishings and apparel.

Carisbrook Industries Inc. (Fabric)
1185 Avenue of the Americas
New York, New York 10036
(212) 536-0200
Specialty fabrics and textile finishing machinery.

Smith Corona Corporation
65 Locust Avenue
New Canaan, Connecticut 06840
(203) 972-1471
Portable typewriters and word processors.

Endicott Johnson Corporation
1100 East Main Street
Endicott, New York 13760
(607) 757-4000
Manufactures and retails a wide range of footwear.

Hanson Housewares Group
3 Speen Street
Suite 350
Farmington, Massachusetts 01701
(508) 872-6514
Farberware cookware and small kitchen appliances; Tucker plastic housewares; Rexair vacuum cleaners; Spartus clocks; Teters artificial floral products.

Hanson Recreation and Leisure Group
4600 Southwest 41st Boulevard
Gainesville, Florida 32601
(904) 376-2327
Tommy Armour golf equipment and apparel; Universal physical conditioning and weight training equipment; Valley pool tables and electronic dart games; Bear archery equipment; Ertl die cast toys and model kits.

BUILDING PRODUCTS - U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 OPP
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

BUILDING PRODUCTS - U.S.A.

Hanson Lighting Group
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
350 Lakeside Drive
Oakland, California 94612
(415) 271-2000
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand tools.

INDUSTRIAL - U.K.

Lindustries Limited
Southgate House
Stevenage, Herts SG1 1HG
(0438) 365461
Electrical, automotive, engineering and gas products.

SLD/Barbour Campbell
Southgate House
Stevenage, Herts SG1 1HG
(0438) 728387
Textile products and construction services.

Hanson Engineering
Southgate House
Stevenage, Herts SG1 1HG
(0438) 742225
Engineering and heating appliance companies including Berry Magicoal and Robinson Willey.

INDUSTRIAL - U.S.A.

Office Group America
114 Churchill Avenue, N.W.
Leeds, Alabama 35094
(205) 699-5181
Office furniture.

SCM Chemicals Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

SCM Chemicals Limited (UK)
P.O. Box 26, Grimsby
South Humberside DN37 8DP
(0469) 571000
Pigments.

Hanson Office Products Dealer Group
35 Melanie Lane
Whippany, New Jersey 07981
(201) 386-8900
Furniture and office supply distribution.

Grove Manufacturing Company
1565 Buchanan Trail E.
Shady Grove, Pennsylvania 17256
(717) 597-8121
Mobile hydraulic and truck mounted cranes; aerial access equipment.

Weber Aircraft Inc.
2820 Ontario Street
Burbank, California 91504
(818) 848-5543
Aircraft seating and interior galleys and lavatories.

FOOD - U.K.

Imperial Foods Limited
22 Stewartby Way
Stewartby, Bedford MK43 9LZ
(0234) 76833
Confectionery and health products.

FOOD - U.S.A.

Hygrade Food Products Corporation
26877 Northwestern Highway, Suite 400
Southfield, Michigan 48034
(313) 355-1100
Processed meats.

The Ground Round Inc.
541 Main Street
South Weymouth, Massachusetts 02910-1898
(617) 331-7005
Family restaurants.

Transfer Agent(s):*

Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
* American Depositary Receipt

Stock Exchange(s): London, New York*, Zurich, Basel, Geneva, Paris

Ticker Symbol: HAN (New York)* *Trades as an American Depositary Receipt (ADR). Each ADR represents 5 Hanson ordinary shares.

Sales & Earnings

	Net Sales (000's)	Net Income + (000's)
1989	£ 6,998,000	£ 1,101,000
1988	7,396,000	1,121,000
1987	6,682,000	572,000
1986	4,312,000	365,000
1985	2,674,000	204,000

	No. of Com. Shares ‡	Earn. per Share ‡ #
1989	3,926,262,686	18.4p
1988	3,826,437,207	15.9
1987	3,577,232,668	14.0
1986	N.A.	10.7
1985	N.A.	7.9

£ - pound sterling.
N.A. - Not Available.
+ Including extraordinary gains of £ 288,000,000 in 1989, 445,000,000 in 1988 and £ 5,000,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
# Fully diluted.

Revenues by Line of Business
(000's)

	1989	1988
U.K.:		
Consumer	£ 2,785,000	£ 2,710,000
Industrial	502,000	378,000
Building products	458,000	307,000
U.S.A.:		
Consumer	1,113,000	935,000
Industrial	1,404,000	1,115,000
Building products	736,000	597,000
Discontinued operations	—	1,354,000
Total	£ 6,998,000	£ 7,396,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	8.5p	—	—
1988	6.8	—	—
1987	4.4	—	—
1986	3.2	—	—
1985	1.8	—	—

Common Stock Equity

	Total Equity # (000's)	Equity Per Share ‡
1989	£ 1,046,000	26.6p
1988	2,192,000	57.3
1987	1,730,000	48.4
1986	1,439,000	—

After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Sept. 30	1989	1988
Net sales	£ 6,998,000	£ 7,396,000
Changes in inventories	(19,000)	115,000
Raw materials	3,842,000	4,301,000
Employment costs	1,070,000	1,169,000
Depreciation	124,000	127,000
Other charges	1,109,000	888,000
Share of profits of rel. cos.	(14,000)	(6,000)
Interest expense	330,000	287,000
Interest income	(508,000)	(365,000)
Income before taxes	£ 1,064,000	£ 880,000
Income taxes	251,000	204,000
Net Income	£ 813,000	£ 676,000
Extraord. gain	288,000	445,000
Net Income & extraord. gain	£ 1,101,000	£ 1,121,000

Assets
(000's)

As of Sept. 30	1989	1988
Cash	£ 5,266,000	£ 3,818,000
*Stocks	988,000	1,071,000
Debtors	1,157,000	1,227,000
Listed investments	43,000	42,000
Current Assets	£ 7,454,000	£ 6,158,000
Investments	957,000	178,000
#Fixed assets	2,414,000	1,476,000
Total Assets	£ 10,825,000	£ 7,812,000

Liabilities
(000's)

	1989	1988
Debenture loans	£ 23,000	£ 102,000
Bank loans & overdrafts	1,121,000	774,000
Trade creditors	508,000	457,000
Other creditors	[illegible]	934,000
Dividends	[illegible]	196,000
Curr. Liabilities	£ 3,269,000	£ 2,463,000
Convertible loans	976,000	930,000
Debenture loans	651,000	226,000
Bank loans	3,344,000	968,000
Provisions for liabilities	1,499,000	886,000
+Preferred stock	40,000	147,000
++Common stock	984,000	957,000
Add. paid-in capital	256,000	145,000
Revaluation reserve	165,000	218,000
Retained earnings (deficit)	(359,000)	872,000
Total Liabilities & Shareholders' Equity	£ 10,825,000	£ 7,812,000

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 5.75% convertible cumulative redeemable.
++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	15.20	11.90
%Net Income to Sales	11.62	9.14
%Net Income to Equity	74.86	28.90
Sales to Inventories	7.08	6.91
Debt to Equity	5.63	1.28
Working Capital	£4,185,000,000	£3,695,000,000
Current Ratio	2.28	2.50
Shareholders' Equity	£1,086,000,000	£2,339,000,000

Harold's Stores, Inc.

P.O. Drawer 2970
765 Asp
Norman, Oklahoma 73069
(405) 329-4045

Officers: Harold G. Powell, chairman of the board & chief executive officer; Rebecca Powell Casey, vice chairman; H. Rainey Powell, exec. v.p., chief financial officer, treasurer & secretary; Rebecca Bridston, v.p.-personnel & store supervision; Cynthia Foor, v.p.-operations; Janet Ferguson, v.p.-ladies' merchandise; Christopher Merritt, v.p.-men's merchandise; Kenneth C. Row, v.p.-advertising.

Directors: Harold G. Powell, chairman; Rebecca Powell Casey, H. Rainey Powell, Gary Rawlinson, James R. Agar, Robert A. Shuey, III, Michael T. Casey.

Business Activities: Operates 12 Harold's women's clothing stores, seven Harold's men's clothing stores and two Old School Clothing Company stores in Oklahoma, Texas, Mississippi, Southern California, Georgia and Maryland. These stores offer private label and branded lines of classically styled apparel.

Transfer Agent(s):

The Liberty Bank & Trust of Oklahoma City
Oklahoma City, Oklahoma

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HRLD (NASDAQ)

Number of Stores:

1989	21	1987	15
1988	19	1986	15

Sales & Earnings

	Net Sales	Net Income
1989	$ 28,698,000	$ 559,000
1988	23,379,000	379,000
1987	22,883,000	1,112,000
1986	21,274,000	467,000
1985	20,368,000	411,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,042,957	$ 0.18
1988	2,629,883	0.14
1987	2,334,000	0.48
1986	2,333,000	0.20
1985	2,333,000	0.18

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 12,537,000	$ 4.12
1988	11,978,000	4.55
1987	6,793,000	2.91
1986	5,678,000	2.43
1985	5,211,000	2.23

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1989	1988
Net sales	$ 28,698,000	$ 23,379,000
Cost of sales	16,744,000	13,504,000
Fin. charge revenue	(419,000)	(387,000)
Expenses	11,710,000	9,597,000
Interest expense	42,000	153,000
Other income	(72,000)	(93,000)
Non-oper. exp. (inc.)	5,000	(52,000)
Income before taxes	$ 688,000	$ 657,000
Income taxes	248,000	278,000
Cum. effect of change in acct.	(119,000)	—
Net Income	$ 559,000	$ 379,000

* Included in Costs and Expenses, Depreciation and Amortization: $683,000 in 1989 and $445,000 in 1988.

Assets

As of Jan. 31	1989	1988
Cash	$ 779,000	$ 807,000
Marketable securities	—	1,766,000
Accts. receiv., net	3,077,000	2,564,000
Refundable taxes	111,000	363,000
*Inventories	6,501,000	4,618,000
Prepaid expenses	269,000	246,000
Def. inc. taxes	240,000	46,000
Current Assets	$ 10,977,000	$ 10,410,000
#Fixed assets	3,731,000	3,378,000
Other assets	203,000	239,000
Total Assets	$ 14,911,000	$ 14,027,000

Liabilities

Long-term debt, curr.	$	3,000	$	3,000
Accts. payable		1,502,000		1,107,000
Redeem. gift certif.		201,000		212,000
Accrued payroll		232,000		192,000
Accrued rent		169,000		255,000
Other accruals		56,000		29,000
Curr. Liabilities	$	2,163,000	$	1,798,000
Long-term debt		11,000		14,000
Deferred inc. taxes		200,000		237,000
+Common stock		30,000		30,000
Add. paid-in capital		5,072,000		5,072,000
Retained earnings		7,435,000		6,876,000
Total Liabilities & Shareholders' Equity	$	14,911,000	$	14,027,000

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		2.40		2.81
%Net Income to Sales		1.95		1.62
%Net Income to Equity		4.46		3.16
Sales to Inventories		4.41		5.37
Working Capital	$	8,814,000	$	8,612,000
Current Ratio		5.07		5.79
Shareholders' Equity	$	12,537,000	$	11,978,000

Hartmarx Corporation

101 North Wacker Drive
Chicago, Illinois 60606
(312) 372-6300
FAX: (312) 444-2710

Officers: Elbert O. Hand, president & chief operating officer; Harvey Weinberg, chairman & chief executive officer; Jerome Dorf, sr. v.p. & chief financial officer; Frank A. Brenner, v.p.-marketing services; James E. Condon, v.p. & treasurer; Sherman D. Rosen, v.p.-human resources; Glenn R. Morgan, v.p. & controller; Carey M. Stein, v.p., secretary & gen. counsel; Ralph Kaufman, V.p.-licensing; Donald O. Martin, v.p.-real estate.

Directors: Jerome S. Gore*, John R. Meinert, Donald P. Jacobs*, Raymond F. Farley*, Sam F. Segnar*, Burton B. Ruby*, Charles Marshall*, A. Robert Abboud*, James E. Devitt*, Harvey A. Weinberg, Elbert O. Hand, Letitia Baldrige*.

* Member of the Executive Committee

Business Activities: Designs and manufactures a wide variety of men's and women's apparel. The Company's retail activities consist of the following: Hartmarx Specialty Stores, Inc. operates 234 high quality apparel specialty stores catering to business and professional men and women across the country under such names as Wallachs, Baskin, Hastings, Jas. K. Wilson, Silverwoods, and F. R. Tripler. Kuppenheimer is a direct to consumer retailer of popular-priced suits, sportcoats and slacks which are sold through its own 128 retail stores. Country Miss operates 92 women's apparel outlets under the name Old Mill Stores. The Company also operates 18 Sansabelt Clothing stores.

Divisions and Subsidiaries:

Hartmarx Specialty Stores, Inc.

Baskin
Operates 20 stores in Illinois and Wisconsin.

Ray Beers
Topeka, Kansas

Capper & Capper, Ltd.
Chicago, Illinois
Operates three stores in Illinois.

Field Bros.
New York, New York
Operates six stores in New York and New Jersey.

Arthur Frank
Salt Lake City, Utah
Operates two stores in Utah.

Frank Bros.
San Antonio, Texas
Operates two stores in Texas.

Hanny's
Phoenix, Arizona
Operates five stores in Arizona.

Antons
Detroit, Michigan
Operates nine stores in Michigan.

Hastings
Operates 10 stores in California.

Jack Henry
Kansas City, Missouri
Operates three stores in Missouri and Kansas.

Heyward-Mahon
Greenville, South Carolina
Operates one store in South Carolina.

J.O. Jones
Operates two stores in Charlotte & Raleigh, North Carolina.

Kleinhans
Buffalo, New York
Operates ten stores in New York.

Klopfenstein's
Operates 13 stores in Washington, Oregon and Alaska.

Raleighs
Washington D.C.
Operates 12 stores in Maryland, Virginia, and the District of Columbia.

Boyd's
St. Louis, Missouri
Operates three stores in Missouri.

Leopold, Price & Rolle
Houston, Texas
Operates 12 stores in Texas.

Graham & Gunn Ltd.
Operates seven stores in Connecticut, Michigan, and Missouri, Virginia, Tennessee, Pennsylvania and Nebraska.

Levy-Wolf
Jacksonville, Florida
Operates two stores in Florida.

Corporate Woman
Operates two stores in Texas.

Liemandt's
Operates six stores in Minnesota.

Littlers
Seattle, Washington
Operates two stores in Washington.

Merritt Schaefer & Brown
Austin, Texas
Operates three stores in Texas.

Porter-Stevens
New Orleans, Louisiana
Operates five stores in Louisiana.

Root's
Operates seven stores in New Jersey and Massachusetts.

Shulman's
Operates two stores in Norfolk and Hampton, Virginia.

Silverwoods
Operates 20 stores in California and Nevada.

Stevens
Jackson, Mississippi
Operates two stores in Mississippi.

F.R. Tripler & Co.
New York, New York
Operates one store in New York City.

Walkers
Operates nine stores in Ohio.

Wallachs
Operates 33 stores in New York, Connecticut, Massachusetts, New Jersey, Rhode Island and New Hampshire

Wallachs of Florida
Operates four stores in Florida.

Jas. K. Wilson
Operates 13 stores in Texas.

Wolf Bros.
Operates seven stores in Florida.

Zachry
Operates 11 stores in Georgia, Alabama, and North Carolina.

deJong's
Evansville, Indiana
Operates three stores in Indiana.

Peer Gordon
Operates five stores in Ohio.

Barrie Pace, Ltd.
Operates four stores in New York And Massachusetts.

Country Miss
(Retail operations)
Operates 92 Old Mills Stores in 28 states. These stores feature women's sportswear and separates produced by Country Miss, Inc.

Kuppenheimer Men's Clothiers
(Retail operations)
Operates 128 Kuppenheimer men's clothing stores in 26 states.

Sansabelt Stores
Operates 18 stores in California, Illinois, Ohio, Tennessee and Texas.

Robert's
(37.33%-owned)
Mexico City, Mexico
Operates clothing stores in Mexico.

Manufacturing Group

Austin Reed of Regent Street
Christian Dior
Society Brand Ltd.
Graham & Gunn Ltd.
Fashionaire Apparel, Inc.
Hart Schaffner & Marx Clothes
Jack Nicklaus
Henry Grethel Apparel
Sterling & Hunt

all located at:
101 North Wacker Drive
Chicago, Illinois 60606
Plants located: Marseilles, Chicago (3) and Rock Island (2) Illinois; Cape Giradeau & Chaffee, Missouri; Rochester, N.Y.; Michigan City, Indiana

Hickey-Freeman Co., Inc.
1155 Clinton Avenue, North
Rochester, New York 14621
Plants located: Rochester and Buffalo, New York

Johnny Carson Apparel, Inc.
2020 Elmwood Avenue
Buffalo, New York 14207

Jaymar-Ruby, Inc.
5000 South Ohio Street
Michigan City, Indiana 46360

Country Miss, Inc. (92% owned)
Tatamy & Kesslersville Road
P.O. Box 769
Easton, Pennsylvania 18042
Plants located: Easton, Pennsylvania; Glasgow, Kentucky; Bristol, Virginia; Cooksville, Tennessee; Waterboro, South Carolina.

Intercontinental Branded Apparel, Inc.
888 7th Avenue
New York, New York 10019

Gleneagles, Inc.
808 Gleneagles Court
Baltimore, Maryland 21204
Plants located: Baltimore (3), Maryland

Thorngate Uniforms, Inc.
2 DeKalb Street
Norristown, Pennsylvania 19401

Yorke Shirt Co.
Kuppenheimer Men's Clothiers (Manufacturing operations)
H. Oritsky
Briar, Inc.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

First Chicago Trust Company of New York
New Yor', New York 10007

Stock Exchange(s): New York, Midwest

Ticker Symbol: HSM

Number of Stores: (at fiscal year end)

1989	499	1986	440
1988	468	1985	467
1987	440		

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,296,993,000	$ 17,410,000
1988	1,174,314,000	38,015,000
1987	1,080,420,000	41,265,000
1986	1,063,011,000	24,775,000
1985	1,109,537,000	42,660,000

	No. of Com. Shares +	Earn. per Share ‡
1989	19,605,350	$ 0.89
1988	18,662,495	2.03
1987	18,833,058	2.01
1986	20,396,213	1.20
1985	18,883,002	2.25

+ Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 1.175	—	—
1988	1.075	—	—
1987	0.980	—	—
1986	0.90 1/3	—	3-for-2
1985	0.85 1/3	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 360,134,000	$ 18.37
1988	358,474,000	19.21
1987	343,934,000	18.26
1986	358,718,000	17.59
1985	332,412,000	17.61

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Nov. 30	1989	1988
Net sales	$ 1,296,993	$ 1,174,314
Fin. charges & other inc.	14,111	14,569
Interest income	868	751
Total income	$ 1,311,972	$ 1,189,634
Cost of sales	782,581	700,423
Expenses	473,198	414,851
Interest expense	28,418	14,465
Income before taxes	$ 27,775	$ 59,895
Income taxes	10,365	21,880
Net Income	$ 17,410	$ 38,015

* Included in Costs and Expenses, Depreciation and Amortization: $31,038,000 in 1989 and $25,018,000 in 1988.

Assets
(000's)

As of Nov. 30	1989	1988
Cash & short-term inv.	$ 2,864	$ 5,008
Accts. receiv., net	210,555	186,046
*Inventories	473,999	378,457
Prepaid expenses	10,243	8,673
Current Assets	$ 697,661	$ 578,184
#Fixed assets	192,802	141,627
Invest. & other assets	17,502	14,305
Total Assets	$ 907,965	$ 734,116

Liabilities
(000's)

Notes payable	$ 98,600	$ 79,600
Long-term debt, curr.	6,647	4,542
Accts. payable	83,339	74,021
Accrued payroll	33,439	30,752
Other accruals	30,133	24,861
Income taxes	11,132	14,023
Deferred taxes	13,572	12,373
Curr. Liabilities	$ 276,862	$ 240,172
Long-term debt	270,969	135,470
+Common stock	58,849	58,804
Add. paid-in capital	46,797	47,149
Retained earnings	346,281	351,795
Foreign curr. adj.	(5,876)	(5,876)
Unearned emp. benefits	(14,447)	—
Treasury stock	(71,470)	(93,398)
Total Liabilities & Shareholders' Equity	$ 907,965	$ 734,116

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.14	5.10
%Net Income to Sales	1.34	3.24
%Net Income to Equity	4.83	10.60
Sales to Inventories	2.74	3.10
Debt to Equity	1.04	0.61
Working Capital	$ 420,799,000	$ 338,012,000
Current Ratio	2.52	2.41
Shareholders' Equity	$ 360,134,000	$ 358,474,000

The Harvey Group, Inc.

3 Expressway Plaza
Roslyn Heights, New York 11577
(516) 621-3366
FAX: (516) 621-1617

Officers: Harvey E. Sampson, chairman of the board & president; Edward J. Maher, vice chairman; Robert C. Cignarella, exec. v.p.; Dennis R. Wilson, exec. v.p., treasurer, chief financial officer & secretary.

Directors: Michael E. Gellert, Harvey E. Sampson, Richard M. Ramin, Edward J. Maher, William F. Kenny, III, Robert C. Cignarella, Mark N. Kaplan, John M. Fox, Dennis R. Wilson.

Business Activities: Engaged in the retail sale of audio and high-fidelity equipment, home entertainment systems, video electronic equipment, television sets, professional and home recording equipment, phonograph records, tapes, and similar products; operates stores in New York City and White Plains, New York, and Paramus, New Jersey. Also operates a food brokerage division.

Divisions and Subsidiaries:

Harvey Electronics
New York, New York
Engaged in the retail sale and service of advanced consumer electronic equipment

The Boerner Company
Roslyn Heights, New York
Provides full food brokerage services for the nationally advertised, private-label and non-advertised brands of grocery, frozen food, dairy, meat and related products of its principals.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HRA

Number of Stores: (at fiscal year end)

1990	5	1987	3
1989	3	1986	3
1988	3		

Sales & Earnings

	Revenues +	Net Income ‡
1990	$ 40,131,910	$ 873,621
1989	35,966,443	1,425,811
1988	31,738,546	652,709
1987	28,819,724	22,744
1986	24,633,103	424,778

	No. of Com. Shares	Earn. per Share ‡ #
1990	2,348,400	$ 0.35
1989	2,415,500	0.54
1988	2,554,000	0.25
1987	2,553,500	0.01
1986	2,551,000	0.16

+ Of continuing operations only.
‡ Including extraordinary gains of $433,837 ($0.16 per share) in 1989, $287,000 ($0.11 per share) in 1988, $4,000 in 1987 and $154,450 ($0.06 per share) in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
Food brokerage	$ 16,378,027	$ 16,02[illegible],397
Retail	23,700,313	19,8[illegible],273
Total segments	$ 40,078,340	$ 35,926,670
Interest income	53,570	39,773
Revenues	$ 40,131,910	$ 35,966,443

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 9,489,602	$ 4.04
1989	8,866,301	3.67
1988	7,868,590	3.08
1987	7,215,319	2.83
1986	7,190,075	2.82

Income Account *

Year ended	1/27/90	1/28/89
Revenues	$ 40,131,910	$ 35,966,443
Cost of revenues	16,205,611	12,848,392
Expenses	23,126,679	21,274,560
Interest expense	378,655	245,777
Gain on pension oblig. settle.	(598,499)	—
Inc. bef. taxes	$ 1,019,464	$ 1,597,724
Income taxes	145,843	605,750
Net Income	$ 873,621	$ 991,974
Extraord. gain	—	433,837
Net Income & extraord. gain	$ 873,621	$ 1,425,811

* Included in Costs and Expenses, Depreciation and Amortization: $771,314 in 1990 and $690,785 in 1989.

Assets

As of	1/27/90	1/28/89
Cash	$ 172,085	$ 757,493
Receiv., net	3,111,354	2,614,750
Refundable income taxes	541,588	539,030
*Inventories	4,490,188	3,322,236
Prepaid expenses & other assets	159,593	240,783
Current Assets	$ 8,474,808	$ 7,474,292
#Fixed assets	2,995,638	1,932,872
Equip. under cap. leases	433,540	—
Other assets	6,262,732	5,937,351
Total Assets	$ 18,166,718	$ 15,344,515

Liabilities

Note payable	$ 600,000	$ —
Long-term debt, curr.	937,299	822,517
Cap. lease oblig., curr.	74,796	—
Accts. payable	2,231,224	390,769
Accruals	2,276,409	2,466,197
Income taxes	125,967	149,253
Curr. Liabilities	$ 6,245,695	$ 3,828,736
Long-term debt	1,355,035	1,159,762
Cap. lease oblig.	350,991	—
Other liab.	622,395	731,217
Unrecog. pension gain	—	655,499
Def. income taxes	103,000	103,000
+Common stock	2,666,000	2,615,500
Add. paid-in capital	6,001,411	5,974,717
Retained earnings	1,674,705	801,084
Treasury stock	(852,514)	(525,000)
Total Liabilities & Shareholders' Equity	$ 18,166,718	$ 15,344,515

* At lower of cost (average) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.54	4.44
%Net Income to Revenues	2.18	2.76
%Net Income to Equity	9.21	11.19
Debt to Equity	0.35	0.22
Working Capital	$ 2,229,113	$ 3,645,556
Current Ratio	1.36	1.95
Shareholders' Equity	$ 9,489,602	$ 8,866,301

Haverty Furniture Companies, Inc.

866 West Peachtree Street, N.W.
Atlanta, Georgia 30308
(404) 881-1911
FAX: (404) 881-1911

Mailing address:
P.O. Box 54678
Civic Center Station
Atlanta, Georgia 30379

Officers: Rawson Haverty, chairman & chief exec. officer; Frank S. McGaughey, Jr., president & chief operating officer; Leonard O. Gay, exec. vice president & chief financial officer; John E. Slater, Jr., sr. v.p.; James E. Smith, v.p.; Hugh G. Wells, Jr., v.p. & treasurer; Christine M. Jones, asst. v.p. & secretary; Clarence H. Smith, v.p.; Roger P. Whitaker, v.p.; Thomas P. Curran, v.p.; Joan S. Nagy, asst. v.p.; Rawson Haverty, Jr., asst. v.p. & asst. secretary; Dan C. Bryant, comptroller; Kenneth A. Fogle, asst. v.p.; M. Tony Wilkerson, asst. v.p.; William Thomason, asst. v.p.; Edison W. Garner, asst. v.p.; William J. McClure, asst. v.p..

Directors: Rawson Haverty, Frank S. McGaughey, Jr., Leonard O. Gay, Clarence H. Smith, Alexander W. Smith, Fred J. Bates, John Rhodes Haverty, Clarence H. Ridley, Kenneth Black, Jr., John C. Wilson, James R. Jones, John E. Slater, Jr., Lynn H. Johnston, William A. Parker, Jr., Robert R. Woodson, Robert P. Guyton, William A. Parker, Jr..

Business Activities: Operates a chain of 85 retail home furnishings stores in 10 southern states.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HAVT and HAVTA (NASDAQ)

Number of Stores: (at fiscal year end)

1989	85	1986	72
1988	82	1985	68
1987	80		

Sales & Earnings

	Net Sales *	Net Income
1989	$ 232,081,000	$ 7,793,000
1988	227,997,000	7,654,000
1987	217,467,000	8,702,000
1986	188,715,000	7,250,000
1985	176,595,000	10,284,389

	No. of Com. Shares #	Earn. per Share #
1989	5,780,000	$ 1.35
1988	5,817,000	1.32
1987	5,923,000	1.47
1986	6,007,000	1.21
1985	5,975,000	1.72

* Includes service charges and credit life insurance revenues.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.7000	—	—
1988	0.6775	—	—
1987	0.6550	—	—
1986	0.6000	—	2-for-1
1985	0.5400	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 76,960,000	$ 13.46
1988	72,469,000	12.47
1987	66,877,000	11.50
1986	62,506,000	10.44
1985	57,572,985	9.60

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 232,081,000	$ 227,997,000
Cost of sales	123,191,000	124,340,000
Other customer revenues	(10,893,000)	(11,971,000)
Expenses	101,013,000	97,330,000
Interest expense	8,298,000	7,442,000
Losses on accounts	2,097,000	2,196,000
Other income	(2,528,000)	(2,245,000)
Income before taxes	$ 10,903,000	$ 10,905,000
Income taxes	3,110,000	3,251,000
Net Income	$ 7,793,000	$ 7,654,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,934,000 in 1989 and $4,590,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 2,938,000	$ 4,069,000
Accts. receiv., net	78,748,000	78,280,000
*Inventories	44,616,000	40,159,000
Prepaid expenses	1,138,000	976,000
Current Assets	$ 127,440,000	$ 123,484,000
#Fixed assets	61,082,000	60,270,000
Other assets	2,575,000	3,128,000
Total Assets	$ 191,097,000	$ 186,882,000

Liabilities

Long-term debt. curr.	$ 2,275,000	$ 2,255,000
Cap. lease oblig., curr.	410,000	379,000
Accts. payable & accruals	18,856,000	18,694,000
Income taxes	4,536,000	7,451,000
Curr. Liabilities	$ 26,077,000	$ 28,779,000
Long-term debt	77,229,000	74,505,000
Cap. lease oblig.	6,163,000	6,573,000
Deferred inc. taxes	2,677,000	2,817,000
Other liabilities	1,991,000	1,739,000
+Common stock	3,517,000	3,501,000
+Class A Common stock	2,625,000	2,622,000
Add. paid-in capital	6,161,000	6,078,000
Retained earnings	69,569,000	63,810,000
Treasury stock	(4,912,000)	(3,542,000)
Total Liabilities & Shareholders' Equity	$ 191,097,000	$ 186,882,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.70	4.78
%Net Income to Sales	3.36	3.36
%Net Income to Equity	10.13	10.56
Sales to Inventories	5.20	5.68
Debt to Equity	1.12	1.16
Working Capital	$ 101,363,000	$ 94,705,000
Current Ratio	4.89	4.29
Shareholders' Equity	$ 76,960,000	$ 72,469,000

Hechinger Company

3500 Pennsy Drive
Landover, Maryland 20785
(301) 341-1000
FAX: (301) 341-0528

Officers: John W. Hechinger, chairman of the board; John W. Hechinger, Jr., president & chief executive officer; Stephen E. Bachand, exec. v.p. & chief operating officer; Richard L. Ponton, sr. v.p. & dir.-stores; Sally A. Courtney, sr. v.p.-gen. merchandise mgr.; Catherine G. Sharp, sr. v.p.-human resources; S. Ross Hechinger, sr. v.p.-distribution; Roger K. Wright, sr. v.p.-real estate & development; W. Clark McClelland, sr. v.p.-finance; Lennie H. Zaller, v.p. & treasurer; Robert G. DeMarco, v.p.-management information services; Joanne M. Barrett, v.p. & div. merchandise manager; Gerald W. Brase, v.p. & div. merchandise manager; John R. McGrath, v.p. & regional mgr.; Gary G. Rhea, v.p. & regional mgr.; Cary G. Adams, v.p.-real estate; Karen A. Egerer, v.p. & controller; Arthur C. Holmes, v.p.-credit sales; James F. Iampieri, v.p.-merchandise administration; Ronald C. Bridges, v.p.-construction; Raymond B. Nicholson, Jr., v.p.-distribution; Richard A. Povlak, v.p.-loss prevention; Sharon A. Virga, v.p.-taxation; Ann B. McClenahan, v.p.-marketing & advertising; Pamela D. Redfern, corp. secretary.

Directors: Richard England, John W. Hechinger, Stephen E. Bachand, W. Clark McClelland, Richard L. Ponton, Sally A. Courtney, John W. Hechinger, Jr., Joan S. England, S. Ross Hechinger, Catherine G. Sharp, Roger K. Wright, Herbert J. Broner, David O. Maxwell.

Business Activities: Operates home-center stores under the names Hechinger, Home Quarters, and Triangle, in Washington D.C., Maryland, Virginia, Pennsylvania, North Carolina, Ohio, South Carolina, New Jersey, New York, Connecticut, Georgia and Florida. These stores offer for retail sale a comprehensive selection of lumber, building materials, hardware, tools, housewares, paint, garden supplies and furniture, and electrical and plumbing supplies.

Subsidiary:

Home Quarters Warehouse, Inc.
2866 Virginia Beach Boulevard
Virginia Beach, Virginia 23452
(804) 498-7100
Operates thirteen home-center stores in North Carolina, South Carolina, Virginia, Georgia and Florida.

Triangle Building Centers
Operates six home center stores in central Pennsylvania.

Transfer Agent(s):

First Union National Bank
Securities Transfer Dept. CMG-5
Charlotte, North Carolina 28288-1154

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HECH A and HECH B (NASDAQ)

Number of Stores: (at fiscal year end)

1990	100
1989	92
1988	78
1987	62
1986	54

Sales & Earnings

	Net Sales	Net Income
1990*	$ 1,229,572,000	$ 34,189,000
1989	1,019,399,000	48,816,000
1988	725,123,000	41,904,000
1987	588,392,000	28,254,000
1986	479,040,000	23,111,000

	No. of Com. Shares +	Earn. per Share +
1990*	40,793,175	$ 0.95
1989	40,769,995	1.30
1988	37,036,877	1.22
1987	30,714,227	0.92
1986	29,826,832	0.77

* 53 weeks.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.22	—	—
1989	0.22	—	—
1988	0.22	—	—
1987	0.21	—	5-for-4
1986	0.18	—	5-for-4

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 397,794,000	$ 9.75
1989	366,297,000	8.98
1988	319,985,000	8.64
1987	198,529,000	6.46
1986	171,724,000	5.76

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 1,229,572,000	$ 1,019,399,000
Other income	6,563,000	10,190,000
Total income	$ 1,236,135,000	$ 1,029,589,000
Cost of sales	914,157,000	753,899,000
Expenses	268,568,000	199,448,000
Interest expense	11,821,000	10,851,000
Income before taxes	$ 41,589,000	$ 65,391,000
Income taxes	10,600,000	16,575,000
Cum. effect of accntng. change	(3,200,000)	—
Net Income	$ 34,189,000	$ 48,816,000

* Included in Costs & Expenses, Depreciation & Amortization: $24,000,000 in 1990 and $17,981,000 in 1988.

Assets

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 25,078,000	$ 53,397,000
Marketable securities	13,604,000	88,273,000
Accts. receiv., net	76,506,000	68,355,000
*Inventories	270,972,000	176,578,000
Prepaid expenses	19,782,000	17,347,000
Current Assets	$ 405,942,000	$ 403,950,000
#Fixed assets	213,309,000	170,200,000
Cost in exc. of assets acq.	63,815,000	65,495,000
Leasehold acquis. costs	63,045,000	17,240,000
Other assets	8,736,000	9,510,000
Total Assets	$ 754,847,000	$ 666,395,000

Liabilities

Long-term debt and cap. lease oblig., curr.	$ 945,000	$ 875,000
Accts. payable & accruals	156,652,000	99,976,000
Inc. taxes payable	763,000	—
Curr. Liabilities	$ 158,360,000	$ 100,851,000
Long-term debt & cap. lease oblig.	167,431,000	168,375,000
Deferred inc. taxes	12,277,000	14,550,000
Deferred rent	18,985,000	16,322,000
+Class A common stock	2,174,000	2,125,000
+Class B common stock	1,457,000	1,505,000
Add. paid-in capital	168,034,000	168,416,000
Retained earnings	228,215,000	197,182,000
Treasury stock	(2,086,000)	(2,931,000)
Total Liabilities & Shareholders' Equity	$ 754,847,000	$ 666,395,000

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.38	6.41
%Net Income to Sales	2.78	4.79
%Net Income to Equity	8.59	13.33
Sales to Inventories	4.54	5.77
Debt to Equity	0.42	0.49
Working Capital	$ 247,582,000	$ 303,099,000
Current Ratio	2.56	4.01
Shareholders' Equity	$ 397,794,000	$ 366,297,000

Heilig-Meyers Company

2235 Staples Mill Road
Richmond, Virginia 23230
(804) 359-9171
FAX: (804) 254-1498

Officers: William C. DeRusha, chairman of the board & chief executive officer; Troy A. Peery, Jr., president & chief operating officer; James F. Cerza, Jr., exec. v.p.-operations; Joseph R. Jenkins, exec. v.p. & chief financial officer; James R. Riddle, exec. v.p.-marketing; William J. Dieter, sr. v.p.-accounting & controller; J. Lee Hawks, sr. v.p.-merchandising; William E. Helms, sr. v.p.-corp. expansion; R. Gene Laughter, sr. v.p.-advertising & sales promotion; John H. Sniffin, sr. v.p.-merchandising administration; James M. Glover, regional v.p.-operations; John M. Hamilton, regional v.p.-operations; Roy W. Page, regional v.p.-operations; Roy B. Goodman, v.p., secretary & treasurer; Alan E. Lese, v.p.-merchandising/upholstery; Ronald M. Ragland, v.p.-human resources; Sara J. Struckell, v.p.-operations administration; Frederick D. Wood, v.p.-operations; Bryan H. Beam, v.p.-distribution; James E. Taylor, v.p.-merchandising/case goods; W. Gerald Gay, regional v.p.-operations; Terry L. Hucks, v.p.-management information systems; Ralph H. Newton, Jr., controller.

Directors: William C. DeRusha, chairman; S. Sidney Meyers, Hyman Meyers, Nathaniel Krumbein, Lawrence N. Smith, Benjamin F. Edwards, III, Alexander Alexander, Troy A. Peery, Jr., Robert L. Burrus, Jr., George A. Thornton, III, Alan G. Fleischer, Arthur D. Charpentier.

Business Activities: Operates a chain of 304 home furnishings retail stores in 11 southern states.

Subsidiaries:

Caplan Furniture Company
Caplan Furniture Company of Logan, Inc.
Heilig-Meyers Company of Georgia
Heilig-Meyers Company of North Carolina
Heilig-Meyers Company of South Carolina, Inc.
Heilig-Meyers Company of Tennessee
Heilig-Meyers Company of Virginia
Heilig-Meyers Company of West Virginia
Sterchi Brothers Stores, Inc.
Thomas Furniture, Inc.

all located at:
3228 West Cary Street
Richmond, Virginia 23221

Reliable Stores, Inc.
Columbia, Maryland
Operates home furnishings retail stores.

Home Outfitters, Inc.
Stores primarily located in rural cities and towns in Kentucky, Tennessee, Virginia and West Virginia.

Transfer Agent(s):

Crestar Bank
919 East Main Street
Richmond, Virginia 23219

Stock Exchange(s): New York, Pacific

Ticker Symbol: HMY

Number of Stores: (at fiscal year end)

1990	304	1987	220
1989	277	1986	216
1988	258		

Sales & Earnings

	Net Sales	Net Income
1990	$ 330,698,000	$ 20,034,000
1989	294,844,000	17,061,000
1988	253,792,000	15,514,000
1987	226,186,000	13,541,000
1986	152,722,000	10,232,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	10,558,000	$ 1.90
1989	10,559,000	1.62
1988	10,639,000	1.46
1987	10,440,000	1.30
1986	9,582,000	1.07

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.40	—	—
1989	0.36	—	—
1988	0.32	—	—
1987	0.28	—	—
1986	0.28	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 171,135,000	$ 16.21
1989	155,369,000	14.71
1988	142,109,000	13.36
1987	131,312,000	12.58
1986	91,787,000	9.58

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended March 31	1990	1989
Net sales	$ 330,698	$ 294,844
Other income	62,710	56,792
Total Income	$ 393,408	$ 351,636
Cost of sales	208,791	186,436
Expenses	115,295	100,821
Prov. for doubtful accts.	27,447	22,782
Interest expense	14,083	15,059
Income before taxes	$ 27,792	$ 26,538
Income taxes	9,342	9,477
Cum. effect of acct. change	(1,584)	—
Net Income	$ 18,450	$ 17,061

* Included in Costs and Expenses, Depreciation and Amortization: $11,470,000 in 1990 and $10,045,000 in 1989.

Assets
(000's)

As of March 31	1990	1989
Cash	$ 2,433	$ 5,344
Accts. receiv., net	218,932	234,505
Other receiv.	24,763	20,544
*Inventories	116,546	112,279
Prepaid expenses	13,688	7,754
Current Assets	$ 376,362	$ 380,426
#Fixed assets	100,825	92,998
Other assets	24,971	25,774
Total Assets	$ 502,158	$ 499,198

Liabilities
(000's)

Notes payable	$ 115,800	$ 127,100
Long-term debt, curr.	5,611	2,062
Accts. payable	26,025	20,790
Accruals	21,072	21,927
Curr. Liabilities	$ 168,508	$ 171,879
Long-term debt	148,490	153,918
Deferred inc. taxes	14,025	18,032
+Common stock	21,116	21,119
Add. paid-in capital	43,477	43,518
Retained earnings	106,542	90,732
Total Liabilities & Shareholders' Equity	$ 502,158	$ 499,198

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.40	9.00
%Net Income to Sales	5.58	5.79
%Net Income to Equity	10.78	10.98
Sales to Inventories	2.84	2.63
Debt to Equity	1.58	1.82
Working Capital	$ 207,854,000	$ 209,350,000
Current Ratio	2.23	2.22
Shareholders' Equity	$ 171,135,000	$ 155,369,000

Highland Superstores, Inc.

909 North Sheldon Road
Plymouth, Michigan 48170
(313) 451-3200
FAX: (313) 451-3500

Officers: Eugene P. Mondry, chairman of the board & director; Ira S. Mondry, president, chief executive officer & director; Yale Levin, exec. v.p., chief operating officer & chief financial officer; Richard A. Brouwer, v.p.-Northeast region; Paul J. Ruggirello, v.p.-Great Lakes region; Donald S. Wysocki, v.p.-Central region; Louis F. Bernucca, sr. v.p.-marketing; David K. Page, secretary; John B. Brownson, Jr., v.p. & controller; Joseph G. Henderson, v.p. & national merchandise mgr.-major appliance & seasonal products; Charles A. Bale, v.p. & national merchandise mgr.-hi fi; George B. Buick, v.p.-information systems; Frank C. Ferriolo, v.p.-advertising; Daniel J. Mitchell, v.p.-real estate; Lawrence N. Mondry, v.p. & national merchandise mgr.-TV, video and home office; Mitchell A. Mondry, v.p.-customer service; David V. Montieth, v.p.-human resources; Judith M. Thomas, v.p.-administrative services; Robert G. Velentine, Jr., v.p.-Southwest region; Danette Wineberg, v.p. & corp. counsel.

Directors: David S. Mondry, chairman; Eugene P. Mondry, Ira S. Mondry, Richard H. Cummings, David K. Page, Jack A. Robinson, Fred G. Secrest, Yale Levin.

Business Activities: Operates 93 consumer electronics and major home appliance retail stores in Michigan, Ohio, Indiana, Illinois, Texas, Louisiana, Wisconsin, Minnesota, Massachusetts, New York, New Hampshire and Rhode Island.

Transfer Agent(s):

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HIGH (NASDAQ)

Number of Stores: (at fiscal year end)

1990	93	1987	53
1989	84	1986	40
1988	72		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 924,674,000	$ (12,380,000)
1989	910,747,000	7,244,000
1988	753,446,000	13,945,000
1987	656,456,000	20,214,000
1986	520,527,000	23,602,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	18,257,840	$ 0.40
1989	18,257,840	0.40
1988	18,257,840	0.76
1987	18,257,631	1.11
1986	17,376,480	1.36

(Loss)
+ Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 123,008,000	$ 6.74
1989	135,388,000	7.42
1988	128,144,000	7.02
1987	114,094,000	6.25
1986	93,869,000	5.40

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 924,674	$ 910,747
Cost of sales	631,361	626,641
Expenses	289,062	265,215
Restruc. charge	16,500	—
Interest expense	11,704	8,737
Interest income	(714)	(921)
Other income	(482)	(190)
Inc. (loss) bef. taxes	$ (22,757)	$ 11,265
Income taxes (credit)	(10,377)	4,021
Net Income (Loss)	$ (12,380)	$ 7,244

* Including in Costs and Expenses, Depreciation and Amortization: $15,259,000 in 1990 and $12,140,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 9,614	$ 4,159
Accts. receiv., net	7,445	5,488
Refund. inc. taxes	2,522	—
*Inventories	178,742	205,134
Prepaid expenses	2,349	3,229
Prepaid inc. taxes	3,980	—
Current Assets	$ 204,652	$ 218,010

Investments		3,674		4,824
#Fixed assets		129,999		120,539
Other assets		873		1,325
Total Assets	$	339,198	$	344,698

Liabilities
(000's)

Short-term borrowings	$	—	$	21,000
Long-term debt curr.		4,295		3,190
Accts. payable		59,133		55,053
Accruals		46,763		38,687
Accrual for restruc.		16,244		—
Deferred income taxes		—		551
Curr. Liabilities	$	126,435	$	118,481
Long-term debt		84,497		82,951
Deferred inc. taxes		5,258		7,878
+Common stock		183		183
Add. paid-in capital		52,919		52,919
Retained earnings		69,906		82,286
Total Liabilities & Shareholders' Equity	$	339,198	$	344,698

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		—		1.24
%Net Income to Sales		—		0.80
%Net Income to Equity		—		5.35
Sales to Inventories		5.17		4.44
Debt to Equity		0.72		0.79
Working Capital	$	78,217,000	$	99,529,000
Current Ratio		1.62		1.84
Shareholders' Equity	$	123,008,000	$	135,388,000

Hills Department Stores, Inc.

15 Dan Road
Canton, Massachusetts 02021
(617) 821-1000
FAX: (617) 821-4379

Officers: Stephen A. Goldberger, chairman, president & chief executive officer; John C. Brouillard, exec. v.p. & chief financial officer; Eugene J. O'Donnell, exec. v.p. & general merchandise mgr.; Andrew J. Samuto, exec. v.p.-real estate and support services; Millard F. Barron, sr. v.p.-store operations; R. Wesley McDonough, sr. v.p.-marketing & advertising; Stephen A. Feldman, v.p. & treasurer; William K. Friend, v.p., secretary & corporate counsel; John G. Reen, v.p. & controller.

Directors: Stephen A. Goldberger, chairman; George R. Friese, Dean C. Kehler, Thomas H. Lee, James L. Moody, Jr., Robert D. Buzzell.

Business Activities: Operates 208 discount department stores in 14 eastern and central states.

Division:

Rudnick Division
Operates leased domestics departments in all of the Company's department stores.

Transfer Agent(s):

Bank of America National Trust and Savings Association
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York

Ticker Symbol: HDS

Number of Stores: (at fiscal year end)

1989	208	1986	136
1988	167	1985	125
1987	151		

Sales & Earnings

	Net Sales		Net Income x
2/3/90	$ 2,075,603,000	$	5,632,000
1/28/89	1,670,866,000		14,193,000
1/30/88	1,514,300,000		32,500,000
1/31/87	1,343,100,000		(14,800,000)
1/25/86*	163,600,000		(16,800,000)

	No. of Com. Shares †		Earn. per Share x‡
2/3/90	19,151,228	$	0.15
1/28/89	19,151,228		0.60
1/30/88	19,044,228		1.31
1/31/87	14,963,373		—
1/25/86*	15,000,000		—

(Loss)
* 6 weeks.
x Including extraordinary gain of $12,250,000 ($0.71 per share) in 1988.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
2/3/90	—	—	—
1/30/88	—	—	—
1/31/87	—	—	3-for-2

Common Stock Equity

		Total Equity		Equity Per Share
2/3/90	$	13,688,000	$	0.71
1/28/89		10,712,000		0.56
1/30/88		(2,110,000)		—
1/31/87		(40,715,000)		—
1/25/86		(10,340,000)		—

(Deficiency)

Income Account *
(000's)

Year ended		2/3/90		1/28/89
Net sales	$	2,075,603	$	1,670,866
Cost of sales		1,482,046		1,196,863
Expenses		485,410		376,350
Interest expense		95,304		76,557
Interest income		(926)		(903)
Other expense		3,241		3,423
Income before taxes	$	10,528	$	18,576
Income taxes		4,896		8,025
Net Income	$	5,632	$	10,551
Extraord. gain		—		3,642
Net Income & extraord. gain	$	5,632	$	14,193

* Included in Costs and Expenses, Depreciation and Amortization: $48,766,000 in 1989 and $37,959,000 in 1988.

Assets
(000's)

As of		2/3/90		1/28/89
Cash	$	13,949	$	6,120
Accts. receiv., net		21,816		12,767
*Inventories		389,147		268,846
Other curr. assets		5,881		894
Current Assets	$	430,793	$	288,627
#Fixed assets		394,621		365,639
Oper. lease rights		65,178		68,590
Other assets		9,017		11,004
Deferred fin. costs		11,034		13,539
Exc. of cost over assets acq.		148,004		152,130
Total Assets	$	1,058,647	$	899,529

Liabilities
(000's)

Long-term debt, curr.	$	350	$	25,340
Cap. lease oblig., curr.		4,475		4,017
Accts. payable		165,832		111,953
Borrowings-working cap. loan		129,000		14,000
Accruals		108,313		120,295
Curr. Liabilities	$	407,970	$	275,605
Long-term debt		332,608		332,664
Oblig. under cap. leases		221,410		199,382
Jr. subord. deben.		39,045		38,968
Other liabilities		18,166		16,827
Redeem. preferred stock		25,760		25,371
+Common stock		192		192
Add. paid-in capital		51,706		51,808
Retained earnings (deficit)		(38,071)		(40,979)
Unamort. comp. on restricted stock		(139)		(309)
Total Liabilities & Shareholders' Equity	$	1,058,647	$	899,529

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		0.51		1.11
%Net Income to Sales		0.27		0.63
%Net Income to Equity		41.15		98.50
Sales to Inventories		5.33		6.21
Working Capital	$	22,823,000	$	13,022,000
Current Ratio		1.06		1.05
Shareholders' Equity	$	13,688,000	$	10,712,000

D. H. Holmes Company, Limited

(Acquired by Dillard Department Stores, Inc. on May 9, 1989.)

3301 Veterans Blvd.
Metairie, Louisiana 70002
(504) 561-6611

Officers: Donald W. Johnston, chairman of the board, president & chief exec. officer; James W. Graf, exec. v.p.-merchandising, adv., sales promotion & physical properties; James E. Ammon, exec. v.p.-finance; Raymond E. Weidenbacher, sr. v.p. & dir.-stores; Louis R. Roussel, sr. v.p.-physical properties & merchandise presentation; Robert G. Morgan, sr. v.p.-personnel & operations; Paul R. Falter, sr. v.p., controller, treasurer & asst. secretary; E. Stewart Maunsell, II, v.p. & secretary; M. Elizabeth Tahir, v.p. & gen. mdse. mgr.; Ann Lynne Strug, v.p. & gen. mdse. mgr.; R. Stephen Wall, v.p. & gen. mdse. mgr.; Kenneth J. DeZwaan, v.p. & sr. store mgr.; John N. Kuchler, v.p. & sr. store mgr.; Jay F. Hebert, v.p.-public affairs; William G. Turner, v.p. & plant superintendent; Phyllis A. Covelli, v.p. & sales promotion director; Louis J. Dontas, v.p.-management information services.

Directors: E. Stewart Maunsell, II, Frank E. Schmidt, Donald J. Nalty, James E. Ammon, Sidney W. Lassen, John F. Bricker, Harry McCall, Jr., Donald W. Johnston, Alden J. Laborde, Robert R. Broadbent.

Business Activities: Operates 19 department stores in Alabama, Louisiana, Florida and Mississippi. Also operates four separate shoe stores and two clearance centers, and 13 car care centers under a lease/management agreement with the Goodyear Tire and Rubber Company.

Subsidiaries:

D. H. Holmes Realty, Inc.
D. H. Credit Corporation (unconsolidated)
D. H. Holmes B. R., Inc.

Number of Stores:* (at fiscal year end)

1988	19	1985	15
1987	19	1984	14
1986	18		

* Department stores only.

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 274,929,000	$ 1,554,000
1987	270,434,000	355,000
1986	272,819,000	3,375,000
1985	271,681,000	7,523,000
1984	253,844,000	8,458,000

	No. of Com. Shares +	Earn. per Share #
1988	3,563,032	$ 0.44
1987	3,551,106	0.10
1986	3,400,156	0.97
1985	3,383,044	2.17
1984	3,364,306	2.80

‡ Including leased departments.
+ Adjusted to reflect stock dividend and stock split.
# Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.19	—	—
1987	0.85	3%	—
1986	0.97	—	—
1985	0.97	—	—
1984	0.95	—	2-for-1

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 67,188,000	$ 18.86
1987	67,833,000	19.10
1986	69,770,000	20.52
1985	69,370,000	20.51
1984	64,855,000	19.28

‡ Adjusted to reflect stock dividend and stock split.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 274,929,000	$ 270,434,000
Cost of sales	194,059,000	188,309,000
Expenses	53,145,000	53,271,000
Depreciation & amortization	9,179,000	8,792,000
Prov. for doubtful accts.	2,989,000	$ 3,837,000
Rents	7,767,000	6,681,000
Repair & maintenance	2,194,000	2,188,000
Interest expense	9,846,000	10,473,000
Pension plan costs	1,919,000	1,875,000
Pension plan asset reversion	—	(4,420,000)
Loss bef. taxes	$ (6,169,000)	$ (572,000)
Tax credit	(2,266,000)	(927,000)
Cum. effect of accntng. change	(5,457,000)	—
Net Income	$ [illegible]	$ 355,000

Assets

As of	1/30/88	1/31/87
Cash	$ 5,778,000	$ 2,543,000
Accts. receiv., net	19,652,000	19,386,000
*Inventories	39,480,000	40,808,000
Inc. tax receiv.	358,000	4,908,000
Other current assets	2,411,000	2,573,000
Current assets	$ 67,679,000	$ 70,218,000
Investments	217,000	7,001,000
#Fixed assets	85,022,000	109,541,000
Other assets	2,473,000	2,199,000
Total Assets	$ 155,391,000	$ 188,959,000

Liabilities

Notes payable	$ 1,200,000	$ 12,435,000
Long-term debt, curr.	1,229,000	2,310,000
Accts. payable	16,687,000	17,966,000
Accruals	5,193,000	4,908,000
Income taxes	2,134,000	632,000
Curr. Liabilities	$ 26,443,000	$ 38,251,000
Long-term debt	40,585,000	50,628,000
Deferred inc. taxes	9,975,000	20,465,000
Deferred credit	11,200,000	11,782,000
+Common stock	9,106,000	9,077,000
Add. paid in capital	21,850,000	21,619,000
Retained earnings	39,020,000	38,133,000
Treasury stock	(991,000)	(996,000)
Receiv. from emp. benefit plan	(1,797,000)	—
Total Liabilities & Shareholders' Equity	$ 155,391,000	$ 188,959,000

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Net Income to Sales	0.57	0.13
%Net Income to Equity	2.31	0.52
Sales to Inventories	6.96	6.63
Debt to Equity	0.64	0.96
Working Capital	$ 41,236,000	$ 31,967,000
Current Ratio	2.56	1.84
Shareholders' Equity	$ 67,188,000	$ 67,833,000

The Home Depot, Inc.

2727 Paces Ferry Road
Atlanta, Georgia 30339
(404) 433-8211
FAX (404) 431-2707

Officers: Bernard Marcus, chairman, chief exec. officer & secretary; Arthur M. Blank, president & chief operating officer; Ronald M. Brill, sr. v.p., treasurer & chief financial officer; W. Andrew McKenna, sr. v.p.-corporate information systems; William E. Harris, sr. v.p.-corp. development; James Inglis, exec. v.p.-merchandising; Bruce Berg, sr. v.p.-merchandising, Eastern region; Ted Kaczmarowsky, v.p.-construction/store planning; Bryant Scott, v.p.-store operations; Larry Mercer, v.p.-store operations, East Coast; Donald P. McKenna, v.p.-human resources; Lawrence A. Smith, v.p.-legal & asst. secretary; Marshall L. Day, v.p.-finance; Lynn Martineau, v.p.-store operations; Dennis Ryan, v.p.-merchandising, Northeast region; Bill Hamlin, v.p.-merchandising, Western region; Peter E. Cleaveland, v.p.-distribution; Dick Hammill, v.p.-advertising & marketing; Preston R. Kirby, controller.

Directors: Bernard Marcus, chairman; Arthur M. Blank, Ronald M. Brill, Berry R. Cox, Frederick Dematteis, Milledge A. Hart, III, Kenneth G. Langone, Frank Borman, Alan D. Schwartz.

Business Activities: Operates a chain of 118 retail warehouse stores selling a variety of building supplies and home improvement products to the growing do-it-yourself market and home remodeling professionals.

Transfer Agent(s):

Wachovia Bank and Trust Company N.A.
P.O. 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): New York

Ticker Symbol: HD

Number of Stores: (at fiscal year end)

1989	118	1986	60
1988	96	1985	50
1987	75		

Sales & Earnings

	Net Sales	Net Income
1990	$ 2,758,535,000	$ 111,954,
1989	1,999,514,000	76,753,
1988	1,453,657,000	54,086,000
1987	1,011,462,000	23,873,000
1986	700,729,000	8,219,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	78,980,000	$ 1.42
1989	76,883,000	1.00
1988	71,991,000	0.75
1987	59,805,000	0.40
1986	56,807,000	0.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.11	—	3-for-2
1989	0.07	—	—
1988	0.04	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 512,129,000	$ 6.67
1989	382,938,000	5.08
1988	320,559,000	4.33
1987	163,042,000	2.55
1986	89,092,000	1.57

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 2,758,535	$ 1,999,514
Cost of sales	1,991,777	1,459,862
Selling & oper. exp.	504,363	356,831
Pre-opening exp.	9,845	7,552
Gen. & adm. exp.	67,901	48,485
Interest expense	15,954	1,702
Interest income	(13,320)	(751)
Income before taxes	$ 182,015	$ 125,833
Income taxes	70,061	49,080
Net Income	$ 111,954	$ 76,753

* Included in Costs and Expenses, Depreciation and Amortization: $21,107,000 in 1990 and $14,673,000 in 1989.

Assets
(000's)

As of	1/28/90	1/29/89
Cash & cash equiv.	$ 69,525	$ 15,853
Short-term invest.	65,856	—
Accts. receiv., net	38,933	17,614
*Inventories	381,452	294,274
Prepaid expenses	10,474	9,201
Current Assets	$ 566,240	$ 336,942
#Fixed assets	514,440	332,416
Other assets	14,822	7,157
Cost in exc. of assets acq.	22,032	22,664
Total Assets	$ 1,117,534	$ 699,179

Liabilities
(000's)

Long-term debt, curr.	$ 1,447	$ 233
Accts. payable	172,876	126,431
Accrued payroll	46,253	22,027
Other accruals	71,813	43,378
Income taxes	—	2,067
Curr. Liabilities	$ 292,389	$ 194,136
Long-term debt	302,901	107,508
Other long-term liabilities	601	637
Deferred inc. taxes	9,514	13,960
+Common stock	3,839	3,767
Add. paid-in capital	233,458	213,562
Retained earnings	289,177	185,609
Notes receiv.-ESOP	(14,345)	(20,000)
Total Liabilities & Shareholders' Equity	$ 1,117,534	$ 699,179

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.60	6.29
%Net Income to Sales	4.06	3.84
%Net Income to Equity	21.86	20.04
Sales to Inventories	7.23	6.79
Debt to Equity	0.59	0.28
Working Capital	$ 273,851,000	$ 142,806,000
Current Ratio	1.94	1.74
Shareholders' Equity	$ 512,129,000	$ 382,938,000

House of Fabrics, Inc.

13400 Riverside Drive
Sherman Oaks, California 91423
(818) 995-7000
FAX: (818) 783-9019

Officers: Barney Sofro, chairman o. ʌe board; Gary L. Larkins, president & chief exec. officer; Donald R. Ardemagni, exec. v.p.-buying; Edward L. Chow, v.p.-chief information officer; Edwin F. Johnson, v.p.-construction, Marvin S. Maltzman, v.p., secretary & general counsel; Richard H. Shelton, v.p.-warehousing & distribution; William James Heaton, v.p.-finance & administration and chief financial officer; L. Jay Bowen, v.p.-notions buying; Gary A. Bunch, v.p.-sewing machine operations; James C. Webb, v.p.-real estate; Eric R. Schwarz, v.p.-inventory mgmt.; James R. Hartwig, v.p.-store operations & merchandising; John A. Sofro, v.p.-Fabric buying; F. Douglas Trovato, v.p.-crafts buying; Donald W. Boyer, controller.

Directors: David L. Sofro, Barney Sofro*, Gary L. Larkins*, James J. McMorrow, Dorsey R. Gardner.

* Member of the Executive Committee

Business Activities: Sells fabrics, needlecrafts, sewing machines and notions through 629 retail stores in 43 states. All of the company's stores located west of the Rocky Mountains are operated under the name "House of Fabrics." Most of its stores in other states are operated under the name "So-Fro Fabrics."

Transfer Agent(s):

Bank of America National Trust & Savings Association
55 Hawthorne St.
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: HF

Number of Stores: (at fiscal year end)

1990	629	1987	707
1989	658	1986	730
1988	672		

Sales & Earnings

	Net Sales	Net Income
1990	$ 357,392,000	$ 11,111,000
1989	338,010,000	11,361,000
1988	322,480,000	10,501,000
1987	316,366,000	6,191,000
1986	286,743,000	4,257,000

	No. of Com. Shares	Earn. per Share ‡
1990	6,668,993	$ 1.63
1989	6,596,745	1.69
1988	6,564,777	1.58
1987	6,556,977	0.94
1986	6,535,421	0.64

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.48	—	—
1989	0.48	—	—
1988	0.48	—	—
1987	0.48	—	—
1986	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 110,346,000	$ 16.55
1989	101,236,000	15.35
1988	92,718,000	14.12
1987	85,287,000	13.01
1986	82,094,000	12.56

Income Account *
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 357,392	$ 338,010
Cost of sales	170,767	158,327
Expenses:		
Store & oper.	140,795	132,938
General & adm.	24,548	24,432
Interest expense	2,608	3,473
Income before taxes	$ 18,674	$ 18,840
Income taxes	7,563	7,479
Net Income	$ 11,111	$ 11,361

* Included in Costs and Expenses, Depreciation and Amortization: $6,391,000 in 1990 and $6,286,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 5,078	$ 1,217
Receiv. net	5,919	3,427
*Inventories	136,694	129,735
Prepaid expenses	4,004	4,510
Current Assets	$ 151,695	$ 138,889
#Fixed assets	38,722	40,341
Other assets	789	985
Total Assets	$ 191,206	$ 180,215

Liabilities
(000's)

Long-term debt, curr.	$ 339	$ 334
Accts. payable	43,300	34,433
Notes payable	9,000	18,000
Accruals	11,716	10,111
Curr. Liabilities	$ 64,355	$ 62,878
Def. inc. taxes	4,944	4,201
Long-term debt	11,561	11,900
+ Common stock	667	660
Add. paid-in capital	15,992	14,803
Retained earnings	93,687	85,773
Total Liabilities & Shareholder's Equity	$ 191,206	$ 180,215

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.23	5.57
%Net Income to Sales	3.11	3.36
%Net Income to Equity	10.07	11.22
Sales to Inventories	2.61	2.61
Debt to Equity	0.19	0.30
Working Capital	$ 87,340,000	$ 76,011,000
Current Ratio	2.36	2.21
Shareholders' Equity	$ 110,346,000	$ 101,236,000

Hudson's Bay Company

401 Bay Street
Toronto, Ontario M5H 2Y4, Canada
(416) 861-6112
FAX: (416) 861-4700

Officers: Donald S. McGiverin, governor; George J. Kosich, president & chief operating officer; N.R. Peter, exec. v.p.; Brian C. Grose, v.p. & controller; Paul S. Walters, exec. v.p.; A. Rolph Huband, v.p. & secretary; Gary J. Lukassen, exec. v.p. & chief financial officer; Robert N.D. Hogan, v.p.-credit; Donald C. Rogers, v.p.-real estate & development; Larry W. Rowe, v.p.-information services; John M. Cunningham, v.p.-operations; R.P. Hughes, v.p. & managing director-Asian operations; Sheila K. Walters, v.p.-store planning & construction; Raymond J. McDonald, v.p.-distribution; David Crisp, v.p.-human resources; J.G. Hartman, v.p.-research & development; Kenneth C. Wong, asst. treasurer.

Directors: I. A. Barclay, M. Belanger*, Dawn R. McKeag, G. C. Hoyer Millar, D. S. McGiverin, Kenneth R. Thomson*, John A. Tory*, W. Michael Brown, Peter W. Mills, George J. Kosich*, David E. Mitchell, Gary J. Lukassen*, David K. R. Thomson, Neil R. Wood*.

* Member of the Executive Committee

Business Activities: Operates department stores in major Canadian cities under the names "The Bay," "Zellers," "Fields" and "Simpsons."

Principal Subsidiaries:

Markborough Properties, Inc.
Property development company.

Simpsons Limited
Operates department stores in Toronto. It targets principally the middle to high income consumer.

The Bay Dept. Stores
Operates 78 department stores from coast to coast in Canada.

Zellers, Inc.
A leading national chain of discount department stores.

Fields Stores
Operates stores selling family clothing, footwear and household items.

Transfer Agent(s):

The Royal Trust Company
Calgary, Montreal, Toronto, Vancouver & Winnipeg
London, England

Stock Exchange(s): Montreal, Toronto.

Ticker Symbol: HBC

Number of Stores: (at fiscal year end)

1989	421	1986	383
1988	404	1985	581
1987	390		

Sales & Earnings

		Sales & Revenues † (000's)		Net Income + (000's)
1989	$	4,771,328	$	168,189
1988		4,671,740		22,172
1987		4,533,081		(96,463)
1986		4,564,370		(7,395)
1985		4,166,486		(5,584)

	No. of Com. Shares		Earn. per Share +‡
1989	44,608,986	$	4.37
1988	30,992,635		—
1987	30,187,244		—
1986	29,532,745		—
1985	28,886,002		—

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $46,281,000 ($1.38 per share) in 1989, $3,471,000 in 1985 and extraordinary losses of $27,000,000 in 1988, $17,989,000 in 1987 and $40,373,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

		1989		1988
The Bay	$	1,859,000	$	1,723,000
Simpsons		437,000		611,000
Zellers		2,150,000		2,011,000
Fields		90,000		88,000
Other merch.		55,000		58,000
Real estate		180,000		181,000
Total	$	4,771,000	$	4,672,000

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1989	$	0.60	—	—
1988		0.60	—	—
1987		0.60	—	—
1986		0.60	—	—
1985		0.60	—	—

Common Stock Equity

	Total Equity		Equity Per Share
1989	$ 1,216,000,000	$	27.27
1988	705,700,000		22.77
1987	714,404,000		23.67
1986	838,638,000		28.40
1985	880,753,000		30.49

Income Account *
(000's)

Year ended Jan. 31		1990		1989
Net sales & revenues:				
Merchandising	$	4,590,787	$	4,491,037
Real estate		180,541		180,703
Total income	$	4,771,328	$	4,671,740
Cost of sales & exp.		4,372,173		4,378,670
Gen. corp. expenses		10,236		9,505
Interest expense		186,087		199,932
Inc. bef. taxes	$	202,832	$	83,633
Income taxes		80,924		34,461
Net Income	$	121,908	$	49,172
Extraord. items		46,281		(27,000)
Net Income & extraord. items	$	168,189	$	22,172

* Included in Costs and Expenses, Depreciation and Amortization: $68,866,000 in 1989 and $71,135,000 in 1988.

Assets
(000's)

As of Jan. 31		1990		1989
Cash	$	5,017	$	5,043
Marketable securities		42,082		30,344
Accts. receiv., net		1,072,115		1,040,474
Recov. inc. taxes		843		—
*Inventories		942,259		945,685
Prepaid expenses		46,096		46,237
Current Assets	$	2,108,412	$	2,067,783
Secured receiv.		38,210		50,168
Land for sale & devel.		289,260		221,992
Investments		195,125		103,077
#Fixed assets		1,068,752		837,101
Defer. charges		9,722		25,959
Intangibles		91,640		93,953
Pensions		99,532		70,589
Deferred inc. taxes		—		18,517
Total Assets	$	3,897,653	$	3,489,139

Liabilities
(000's)

Notes payable	$	232,696	$	339,723
Bank indebtedness		373,395		228,794
Long-term debt. curr.		77,800		129,468
Accts. payable & accruals		569,247		467,439
Income taxes payable		—		1,522
Curr. Liabilities	$	1,253,138	$	1,166,946
Long-term debt		1,318,353		1,272,212
Deferred inc. taxes		5,401		—
+Preferred stock:				
Series A		86,841		91,317
Series C		16,222		16,848
Series H		—		234,681
++Common stock		842,405		422,452
Add. paid-in capital		13,345		15,837
Retained earnings		365,793		266,956
Cum. trans. adjust.		(3,845)		1,890
Total Liabilities & Shareholders' Equity	$	3,897,653	$	3,489,139

* At lower of cost and net realizable value. Retail inventories at average cost.
# Less accumulated depreciation.
+ No par value. Series A, $1.80 cumulative redeemable; Series C, variable rate cumulative redeemable; Series H, $1.875 cumulative redeemable convertible.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.25	1.79
%Net Income to Sales	2.56	1.05
%Net Income to Equity	9.23	4.68
Debt to Equity	1.52	1.88
Working Capital	$ 855,274,000	$ 900,837,000
Current Ratio	1.68	1.77
Shareholders' Equity	$ 1,320,761,000	$ 1,049,981,000

Imasco Limited

4 Westmount Square
Montreal, Quebec H3Z 2S8, Canada
(514) 982-9111
FAX: (514) 982-9111

Officers: Purdy Crawford, chairman, president & chief executive officer; Jean-Louis Mercier, vice chairman; W. John Bennett, sr. v.p.; Robert C. Begin, v.p.-treasury services; Roy R. Schwartz, sr. v.p.-legal & corporate development; Raymond E. Guyatt, exec. v.p. & chief financial officer & treasurer; Torrance J. Wylie, exec. v.p.; Pierre Duhamel, v.p.- & corp. controller; Hugh W. McAdams, v.p.-corp. finance; Ron Farrel, v.p.-administration; Peter McBride, v.p.-public affairs; Annette Verschuren, v.p.-corp. development; Rodrick K. MacKinnon, secretary & counsel; Denis Faucher, assistant treasurer; Pierre Leclerc, assistant secretary.

Directors: Paul H. Pare*, Purdy Crawford*, Jean-Louis Mercier, Murray B. Koffler*, Jack A. Laughery, David R. Bloom, William R. Bennett, Nan-Bowles de Gaspe Beaubien, Angela C. Peters, Russell E. Palmer, Brian M. Levitt, Bernard A. Roy.

* Member of the Executive Committee

Business Activities: Imasco Ltd. is a major Canadian consumer products and services corporation with operations in Canada and the United States. Imasco operates through five main divisions. Imperial Tobacco, Canada's largest tobacco company, manufactures and distributes a complete range of tobacco products. The UCS Group operates 531 tobacco and gift shops across Canada. Shoppers Drug Mart licenses and operates a chain of 633 franchised and company-owned pharmacies in Canada, specializing in prescription drugs, over-the-counter medication, health and beauty aids and cosmetics. Peoples Drug Stores operates a chain of 490 drug stores in 13 states and in Washington, D.C.; and Imasco USA operates and licenses a system of 3,298 restaurants in 39 states, the District of Columbia, and nine other countries, principally under the name of "Hardee's."

Divisions and Subsidiaries:

Imperial Tobacco
3810 St. Antoine Street West
Montreal, Quebec H4C 1B5, Canada
Manufactures and distributes cigarettes, fine cut tobaccos, and markets pipe tobaccos.

Imperial Leaf Tobacco
John Street North
Aylmer, Ontario N5H 2R8, Canada
Purchases and processes leaf tobacco for Imperial Tobacco and for export.

The UCS Group
50 Overlea Boulevard
Toronto, Ontario M4H 1B9, Canada
Operates a chain of 525 retail tobacco and gift shops in Canada.

General Cigar Company
Montreal, Quebec, Canada
Manufactures and distributes cigarettes.

Shoppers Drug Mart
Operates a group of 613 licensed and company-owned drug stores in Canada.

Pharmaprix
Montreal, Quebec, Canada

Imasco Limited

Imasco Resources
4 Westmount Spuare
Montreal, Quebec H3Z Z58, Canada
Explores investment opportunities in natural resources and venture capital fields.

Imasco B.V.
Herengracht 495
1017 BT
Amsterdam, The Netherlands
Finances associated business.

Imasco Enterprises, Inc.
1040 West George Street
Vancouver, B.C. V6E 4H3, Canada
Holds in excess of 98% of the outstanding common shares of Canada Trustco Mortgage Company, Canada's largest trust company and seventh largest financial institution.

Imasco U.S.A., Inc.
1233 Hardee's Blvd.
Rocky Mount, North Carolina 27801-2815
Operates and licenses 3,110 fast service restaurants principally under the name "Hardee's" in the U.S. and nine other countries, and operates manufacturing and distribution facilities.

Burger Chef Systems, Inc.

Hardee's Food Systems, Inc.

Fast Food Merchandisers, Inc.

Grisanti, Inc.
Northern Italian cuisine.

Peoples Drug Stores, Inc.
6315 Bren Mar Drive
Alexandria, Virginia 22312
Operates a chain of 829 drug stores in 13 states and the District of Columbia.

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Halifax, Nova Scotia, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada
Winnipeg, Manitoba, Canada
Regina, Saskatchewan, Canada

Stock Exchange(s): Montreal, Toronto, Vancouver

Ticker Symbol: IMS

Number of Stores: * (at fiscal year end)

1989	1,654
1988	1,967
1987	1,884
1986	1,730
1985	1,667

* Excludes restaurant operations.

Sales & Earnings‡

	Net Sales # (000's)	Net Income + (000's)
1989	$ 5,724,700	$ 366,100
1988	6,000,600	204,300
1987	5,924,400	253,600
1986	5,596,600	226,400
1985	5,110,200	261,600

	No. of Com. Shares †	Earn. per Share +x
1989	119,246,833	$ 2.87
1988	119,190,833	1.59
1987	119,190,833	1.99
1986	N.A.	1.92
1985	N.A.	2.40

N.A. - Not Available.
‡ In Canadian Dollars.
# Includes sales and excise tax.
+ Including extraordinary losses of $110,000,000 ($0.92 per share) in 1988 and $29,100,000 ($0.25 per share) in 1987.
† Adjusted to reflect stock split.
x Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Tobacco	$ 2,385,600	$ 2,018,100
Restaurant	1,786,500	1,756,900
Drug store:		
Shoppers Drug Mart	136,200	194,900
Peoples Drug Stores	1,207,200	1,841,600
Other	286,100	256,600
Intersegment	(76,900)	(67,500)
Total	$ 5,724,700	$ 6,000,600

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.12	—	—
1988	1.04	—	—
1987	0.96	—	—
1986	0.84	—	—
1985	0.84	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1989	$ 2,254,600	$ 18.91
1988	2,055,200	17.24
1987	2,048,500	17.19
1986	1,931,300	16.22
1985	1,482,800	13.62

‡ After allowing for preferred shares at stated value.
† Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 5,724,700	$ 6,000,600
Sales & excise taxes	1,489,400	1,156,100
Oper. costs	3,695,800	4,349,900
Eq. in earn. of Imasco Enterprises	(152,500)	(142,100)
Oper. profit	$ 692,000	$ 636,700
Corp. expenses	31,600	28,500
Interest expense	196,200	217,600
Income before taxes	$ 464,200	$ 390,600
Income taxes	98,100	76,300
Net Income	$ 366,100	$ 314,300
Extraord. loss	—	(110,000)
Net Income & extraord. loss	$ 366,100	$ 204,300

* Included is Costs and Expenses, Depreciation and Amortization: $157,700,000 in 1989 and $158,500,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & short-term invest.	$ 301,800	$ 132,000
Accts. & notes receiv., net	331,300	282,800
*Inventories	767,800	900,800
Prepaid expenses	35,000	48,100
Current Assets	$ 1,435,900	$ 1,363,700
Investments & notes receiv.	113,500	103,900
#Fixed assets	911,400	942,400
Defer. charges	63,100	82,600
Goodwill	153,900	162,700
Invest. in Imasco Enter.	2,700,200	2,655,400
Total Assets	$ 5,378,000	$ 5,310,200

Liabilities
(000's)

Bank indebtedness	$ 205,300	$ 102,000
Long-term debt & cap. lease oblig., curr.	10,200	14,800
Accts. payable & accruals	502,900	612,000
Income & other taxes	101,000	68,400
Curr. Liabilities	$ 819,400	$ 797,200
Long-term debt	1,820,000	2,116,000
Cap. lease oblig.	20,600	27,600
Deferred inc. taxes	22,100	15,000
Deferred gain	85,500	93,400
+ Preferred stock:		
6% Cumulative	5,800	5,800
7.375% retractable	200,000	200,000
7.90% perpetual	150,000	—
+ Common stock	799,700	798,600
For. curr. trans. adjust.	(50,800)	(42,500)
Retained earnings	1,505,700	1,299,100
Total Liabilities & Shareholders' Equity	$ 5,378,000	$ 5,310,200

* At lower of cost or net realizable value. Tobacco at average cost, restaurant and drug store at FIFO and The UCS Group by the retail method.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.11	6.51
%Net Income to Revenues	6.40	5.24
%Net Income to Equity	14.02	13.90
Debt to Equity	0.79	1.00
Working Capital	$ 616,500,000	$ 566,500,000
Current Ratio	1.75	1.71
Shareholders' Equity	$ 2,610,400,000	$ 2,261,000,000

Ingles Markets, Incorporated

P.O. Box 6676
Asheville, North Carolina 28816
(704) 669-2941
FAX: (704) 669-5159

Officers: Robert P. Ingle, chairman of the board & chief executive officer; Landy B. Laney, president & chief operating officer; Ronald S. Woodbery, vice president-personnel; Vaughn C. Fisher, vice president-sales mgr.; Stephen G. Slade, vice president-meats and deli/bakery; J. Thomas Outlaw, Jr., vice president-produce & frozen foods; Ralph H. Gardner, president of Milkco, Inc.; Jack R. Ferguson, v.p.-finance, treasurer & chief financial officer; Robert A. Bryson, asst. treasurer; Brenda Cranford, secretary & controller; Ralph H. Gardner, president-Milkco, Inc..

Directors: Robert P. Ingle, chairman; Landy B. Laney, Vaughn C. Fisher, J. Thomas Outlaw, Jr., John O. Pollard, J. Alton Wingate, Jack R. Ferguson, Stephen G. Slade.

Business activities: Operates 163 supermarkets in North Carolina, South Carolina, Georgia, Tennessee, and Virginia. Also operates a milk processing and packaging plant.

Subsidiaries:

Sky King, Inc.
Milkco, Inc.

Transfer Agent(s):

First Union National Bank
Capital Management Group
First Union Plaza, CMG 5
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IMKT-A (NASDAQ)

Number of Stores: (at fiscal year end)

1989	156
1988	140
1987	122
1986	110
1985	99

Sales & Earnings

	Net Sales	Net Income
1989*	$ 903,831,000	$ 15,883,000
1988	780,497,000	14,149,000
1987	666,870,000	9,169,000
1986	590,653,000	8,650,000
1985	527,954,000	7,827,000

	No. of Com. Shares +	Earn. per Share ‡
1989*	17,869,200	$ 0.89
1988	17,551,200	0.80
1987	17,548,200	0.63
1986	14,583,015	0.59
1985	14,583,015	0.54

* 53 weeks.
+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of common stock and dilutive common stock equivalent shares outstanding during the period adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989 Class A	$ 0.22	—	—
Class B	0.20	—	—
1988 Class A	0.255	—	—
Class B	0.25	—	—
1987 Class B	0.20	—	1-for-50 & 75-for-1
1986 Class B	0.14	—	—
1985 Class B	0.09	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 124,551,542	$ 6.97
1988	110,414,415	6.29
1987	100,657,000	5.74
1986	59,075,000	4.05
1985	52,369,000	3.59

‡ Adjusted to reflect stock dividend and stock splits.

Income Account*

Year ended	9/30/89	9/24/88
Net sales	$ 903,831,125	$ 780,496,718
Cost of sales	700,933,291	602,893,763
Expenses	174,583,621	150,835,314
Rental income	(1,344,827)	(1,108,724)
Other income	(4,908,014)	(1,935,092)
Interest expense	8,784,040	6,887,801
Income before taxes	$ 25,783,014	$ 22,923,656
Income taxes	9,900,000	8,775,000
Net Income	$ 15,883,014	$ 14,148,656

* Included in Costs and Expenses, Depreciation and Amortization: $12,753,530 in 1989 and $11,026,868 in 1988.

Assets

As of	9/30/89	9/24/88
Cash	$ 14,652,266	$ 13,258,230
Accts. receiv. net	11,055,587	7,584,706
*Inventories	82,640,683	71,117,713
Other curr. assets	1,594,085	1,308,890
Current Assets	$ 1[illegible],942,621	$ 93,269,539
#Fixed assets	205,384,388	178,126,312
Other assets	2,334,049	689,581
Total Assets	$ 317,661,058	$ 272,085,432

Liabilities

Long-term debt, curr.	$ 6,492,011	$ 6,689,235
Accts. payable	44,884,963	41,314,197
Prop., payroll & other taxes	5,260,419	3,982,474
Income taxes payable	1,408,906	1,268,362
Salaries, wages & bonuses	5,728,229	4,665,721
Interest payable	2,484,529	481,138
Other payables	2,492,241	764,824
Curr. Liabilities	$ 68,751,298	$ 59,165,951
Long-term debt	98,630,773	79,495,016
Deferred gains on sale leasebacks	12,830,599	13,572,833
Deferred inc. taxes	12,896,846	9,437,217
+Common stock:		
Class A	203,234	167,976
Class B	690,226	709,584
Add. paid-in capital	48,327,797	46,460,897
Retained earnings	75,330,285	63,075,958
Total Liabilities & Shareholders' Equity	$ 317,661,058	$ 272,085,432

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.85	2.94
%Net Income to Sales	1.76	1.81
%Net Income to Equity	12.75	12.81
Sales to Inventories	10.94	10.97
Debt to Equity	0.84	0.78
Working Capital	$ 41,191,323	$ 34,103,588
Current Ratio	1.60	1.58
Shareholders' Equity	$ 124,551,542	$ 110,414,415

INTERCO Incorporated

INTERCO Corporate Tower

101 South Hanley Road
St. Louis, Missouri 63105
(314) 863-1100
FAX: (314) 863-5306

Officers: Harvey Saligman, chairman; Ronald L. Aylward, vice chairman; Richard B. Loynd, president & chief executive officer; Eugene F. Smith, exec. v.p.; Charles J. Rothschild, Jr., v.p.; R. Stuart Moore, v.p.; Ronald J. Mueller, v.p.; Duane A. Patterson, secretary; Robert T. Hensley, Jr., treasurer; Stanley F. Huck, asst. v.p.-finance; Keith E. Mattern, gen. counsel & asst. secretary; James K. Pendleton, asst. secretary; William R. Withrow, asst. treasurer; David P. Howard, controller.

Directors: Ronald L. Aylward*, Thomas H. O'Leary, Harvey Saligman*, Robert H. Quenon, Donald E. Lasater*, Lee M. Liberman, William E. Cornelius, Richard B. Loynd, R. Stuart Moore.

* Member of the Executive Committee

Operating Companies:

Abe Schrader Corporation
New York, New York

Megastar Apparel Group
Mack Centre Drive
Paramus, New York 07652
(201) 262-9100

Senack Shoes, Inc.
St. Louis, Mississippi

Sky City Stores, Inc.
Asheville, North Carolina

Footwear Manufacturing and Retailing Group

Styles, manufactures and distributes primarily men's footwear, and a broad range of athletic footwear, principally in the United States, Australia, Canada, Europe and Mexico. There are nine factories and eight major distribution centers in operation. The group also operates 558 retail shoe stores and leased shoe departments in 40 states, as well as in Australia, Canada and Mexico.

The Florsheim Shoe Company
Canal, Adams & Clinton Street
Chicago, Illinois 60606
(312) 329-7500

Converse Inc.
North Reading, Massachusetts
Manufactures athletic footwear.

Furniture and Home Furnishings Group

Manufactures and distributes quality furniture and home furnishings principally in the United States. There are 39 factories and seven major distribution centers and consolidation warehouses located primarily in the Southeastern part of this country.

Broyhill Furniture Industries, Inc.
Lenoir, North Carolina

The Lane Company, Incorporated
Altavista, Virginia
Manufactures furniture.

Transfer Agent(s):

AmeriTrust Company, N.A.
One Mercantile Center, Suite 2120
St. Louis, Missouri 63101
(314) 241-4002

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10001-2192

Stock Exchange(s): New York, Midwest (common shares only)

Ticker Symbol: ISS

Number of Stores: (at fiscal year end)

	Retail Shoe Stores & Depts.	Gen'l. Retail Stores
1989	558	N.A.
1988	743	N.A.
1987	778	201
1986	820	201
1985	873	248

N.A. - Not Available.

Sales & Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1990	$ 1,656,079	$ 35,207
1989	2,011,962	70,150
1988	1,995,974	145,003
1987	1,930,918	125,774
1986	1,462,766	119,849

	No. of Com. Shares +	Earn. per Share +
1990	39,998,000	$ —
1989	38,262,000	1.53
1988	41,456,000	3.50
1987	43,312,000	2.91
1986	43,608,000	2.75

‡ Of continuing operations only.
+ Based on the average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

Revenues by Line of Business
(000's)

		1990		1989
Footwear	$	745,676	$	915,447
Furniture		910,403		1,096,515
Total	$	1,656,079	$	2,011,962

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ —	—	—
1989	66.94	—	—
1988	1.60	—	—
1987	1.57	—	2-for-1
1986	1.54	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1990	$ (971,063)	$ —
1989	(1,010,981)	—
1988	1,194,224	33.01
1987	1,264,420	31.47
1986	1,214,126	29.94

(Deficiency)
+ After allowing for preferred shares at stated values.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended		2/24/90		2/25/89
Net sales	$	1,656,079	$	2,011,962
Other income		111,282		18,943
Total income	$	1,767,361	$	2,030,905
Cost of sales		1,097,558		1,335,678
Expenses		425,246		523,797
Interest expense		303,123		141,735
Restruc. expenses		—		14,000
Inc. (loss) bef. taxes	$	(58,566)	$	15,695
Income taxes (credit)		(7,691)		19,977
Loss-cont. oper.	$	(50,875)	$	(4,282)
Inc.-discont. oper.		86,082		74,432
Net Income	$	35,207	$	70,150

* Included in Costs and Expenses, Depreciation and Amortization: $40,967,000 in 1990 and $43,317,000 in 1989.

Assets
(000's)

As of		2/24/90		2/25/89
Cash	$	20,642	$	16,308
Marketable secur.		27,637		61,317
Accts. receiv., net		296,546		329,299
*Inventories		347,555		490,967
Prepaid expenses & other current assets		44,775		41,625
Net assets-discont. oper.		87,735		248,361
Current Assets	$	824,940	$	1,187,877
#Fixed assets		186,919		327,070
Other assets		109,339		162,344
Total Assets	$	1,148,310	$	1,775,302

Liabilities
(000's)

Notes payable	$	3,444	$	6,017
Long-term debt, curr.		386,630		509,961
Debt & debentures, curr.		1,492,587		—
Accts. payable		89,186		99,231
Accrued compensation		20,747		27,317
Accrued interest		17,395		35,339
Other accruals		51,912		53,618
Income taxes		18,735		4,785
Curr. Liabilities	$	2,080,636	$	736,268
Long-term debt		3,176		1,178,180
Debentures		—		808,657
Other long-term liabilities		31,066		57,947
+Preferred stock		4,495		5,231
++Common stock		145,157		155,088
Add. paid-in capital		57,772		179,337
Retained earnings (deficit)		(1,173,992)		(1,208,250)
Treasury stock		—		(137,156)
Total Liabilities & Shareholders' Equity	$	1,148,310	$	1,775,302

* At lower of cost (FIFO) or market, except footwear at LIFO.
# Less accumulated depreciation.
+ No par value; Series D-$7.75 cumulative convertible; Series E-17.5% dividend.
++ $3.75 stated value.

Statistical Summary

Sales to Inventories		4.76		4.10
Working Capital (000's)		—	$	451,609
Current Ratio		—		1.61
Shareholders' Equity (Deficiency) (000's)	$	(966,568)	$	(1,005,750)

Intermark, Inc.

1020 Prospect Street, Suite 200
P.O. Box 1149
La Jolla, California 92037
(619) 459-3841
FAX: (619) 456-7897

Officers: Charles R. Scott, chairman & chief exec. officer; John C. Stiska, president; Frank C. Alexander, exec. v.p. & chief financial officer; Robert P. Schlegel, group v.p.; Mitchell R. Woodbury, v.p., corporate counsel & secretary; Vernon A. LoForti, v.p.-finance; Render Crayton, chief administrative officer; Michael M. Earley, v.p.-corp. development; Richard F. Grannis, treasurer; Gerard A. Wills, controller; Patty M. DeGaetano, asst. corp. secretary; Anita J. Cutchall, asst. corp. secretary; Mark G. Foletta, asst. controller.

Directors: Robert A. Elliott, Gordon C. Luce, John C. Monday, Charles R. Scott, Thomas N. Warner.

Business Activities: Intermark is a conglomerate composed of nine subsidiaries with various products including electronics, printing, furniture and landscaping.

Selected Subsidiaries:

Liquor Barn (67% owned)
A specialty retailer of wine, spirits, beer and related products in the U.S.

Dynamark, Ltd. (92% owned)
1333 S. Bon View Avenue
Ontario, California 91761
(714) 947-1212
Manufactures and distributes custom wheels in the automotive markets and is a supplier of styled aluminum wheels to domestic auto makers.

Western Sizzlin, Inc. (66% owned)
A chain of franchised family steak restaurants.

National Airmotive Corporation
Commercial franchised distributor and overhaul agency for the Allison family of engines.

Mission West Properties (52% owned)
12555 High Bluff Drive
San Diego, California 92130
(619) 450-3135
Develops and owns commercial real estate in western U.S.

Ridgewood Properties, Inc. (68% owned)
Develops and owns real estate in the Southern U.S., principally in Florida, Georgia and Texas.

Sunbelt Nursery Group, Inc. (50% owned)
500 Terminal Road
Fort Worth, Texas 76106
(817) 624-7253
Operates 97 retail garden centers through three operating companies: Nurseryland in Southern California, Tip Top Nursery in Arizona, and Wolfe Nursery in Texas.

Pier 1 Imports, Inc. (52% owned)
Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000
Specialty retailer of imported home furnishings and related gift items, with 517 outlets in approximately 41 states and three Canadian provinces.

Transfer Agent(s):

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): American

Ticker Symbol: IMI

Number of Stores:

1990	614
1989	548
1988	527

Sales & Earnings

	Revenues ‡	Net Income +
1990	$ 945,539,000	$ (10,730,000)
1989	683,038,000	215,000
1988	580,022,000	6,417,000
1987	499,625,000	3,319,000
1986	422,773,000	(3,648,000)

	No. of Com. Shares †	Earn. per Share +†
1990	9,059,000	$ —
1989	9,113,000	0.01
1988	8,506,000	0.73
1987	8,498,000	0.35
1986	8,330,000	—

(Loss)
‡ Of continuing operations only.
+ Including extraordinary loss of $7,000,000 ($0.82 per share) in 1988.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues by Line of Business

	1990	1989
Import retailing	$ 518,823,000	$ 416,384,000
Garden products	140,255,000	162,984,000
Turbine engine servs.	105,518,000	—
Retail liquor stores	70,237,000	—
Automotive prods.	41,833,000	51,168,000
Building products	37,195,000	—
Real estate development	22,101,000	35,372,000
Restaurants	11,257,000	—
Eq. in inc. of unconsol. cos.	(964,000)	15,019,000
Corp.	(716,000)	2,111,000
Total	$ 945,539,000	$ 683,038,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.120	—	—
1989	0.107	10%	—
1988	0.096	—	—
1987	0.096	33%	—
1986	0.084	10%	5-for-4

† Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 38,234,000 ‡	$ 3.92
1989	57,137,000 ‡	6.61
1988	57,781,000 ‡	6.67
1987	47,337,000 ‡	5.87
1986	44,243,000	5.30

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Net sales	$ 933,843	$ 661,985
Eq. in inc. of inconsl. cos.	(964)	15,019
Other income	12,660	6,034
Total income	$ 945,539	$ 683,038
Cost of sales	624,226	411,286
Expenses	274,029	214,996
Prov. for nursery closings	—	17,617
Interest expense	57,468	29,068
Inc. from subsid stock sales	(9,248)	—
Inc. (loss) bef. taxes	$ (936)	$ 10,071
Income taxes	2,479	9,430
Minority interest	7,801	431
Inc. (loss)-cont. oper.	$ (11,216)	$ 210
Inc. (loss)-discont. oper.	(5,917)	5
Cum. effect of acct. change	6,403	—
Net Income (Loss)	$ (10,730)	$ 215

* Included in Costs and Expenses, Depreciation and Amortization: $33,230,000 in 1990 and $19,685,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 21,474	$ 10,699
Market. securities	22,163	17,064
Receiv., net	85,860	45,028
*Inventories	261,279	181,311
Other curr assets	22,591	16,914
Current Assets	$ 413,367	$ 271,016
#Fixed assets	187,494	137,996
Other assets	367,827	202,749
Total Assets	$ 968,688	$ 611,761

Liabilities
(000's)

	1990	1989
Short-term debt	$ 54,210	$ 31,637
Long-term debt. curr.	44,958	14,409
Accruals	118,447	103,690
Curr. Liabilites	$ 217,615	$ 149,736
Long-term debt	431,248	296,444
Other liabilities	29,918	19,786
Minority interest	254,382	85,944
+Preferred stock	2,709	2,714
+Common stock	6,353	6,336
Add. paid-in capital	22,225	34,215
Retained earnings	4,238	16,586
Total Liabilities & Shareholders' Equity	$ 968,688	$ 611,761

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	0.36
Sales to Inventories	3.57	3.86
Debt to Equity	14.93	5.72
Working Capital	$ 195,752,000	$ 121,280,000
Current Ratio	1.90	1.81
Shareholders' Equity	$ 35,525,000	$ 59,851,000

IPCO Corporation

1025 Westchester Avenue
White Plains, New York 10604
(914) 682-4500

Officers: Robert S. Savin, chairman of the board, chief exec. officer; Charles V. Linfante, president & chief financial officer; Howard M. Landa, v.p., general counsel & secretary; Reid Macfarlan, president-Whitestone Products; Morton S. Fisher, gen. mgr.-Uniforms by Gilson; Jerry F. Sullivan, president-Whaledent International.

Directors: Robert S. Savin, chairman; Max M. Low, Robert K. Low, Charles V. Linfante, Herbert L. Rosedale, June S. Rothberg, Howard M. Landa, Jack R. Wentworth, Robert A.M. Coppenrath, I.W. Burnham, II.

Business Activities: Manufactures and distributes health care and related products. Retail activities include the operation of 38 Uniforms by Gilson stores, located in New York, New Jersey, Connecticut, and Puerto Rico. These outlets specialize in uniforms for waitresses and nurses. The Company also operates 168 Sterling Optical outlets in 19 states and the District of Columbia, and 27 IPCO Optical stores in two states and in Ontario, Canada. In addition, the Company has 39 franchised Sterling Optical outlets in 14 states. The Company's optical stores retail a full line of prescription eyeglasses and sunglasses, non-prescription sunglasses, and contact lenses.

Divisions and Subsidiaries:

Medical Group

Whitestone Products
40 Turner Place
Piscataway, New Jersey 08854
(201) 752-2700
Manufactures non-woven and a variety of paper disposable products.

Uniforms by Gilson
2710 Hempstead Turnpike
Levittown, New York 11756
(516) 735-2600
Operates a chain of retail stores concentrated in the Greater New York Area.

Dental Group

Whaledent International
236 Fifth Avenue
New York, New York 10001
(212) 696-8000
Restorative dentistry products and systems.

Optical Group

Sterling Optical
357 Crossways Park Drive
Woodbury, New York
(516) 364-2600
Operates a chain of retail optical centers in the United States and Canada.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: IHS

Number of Retail Centers: (at fiscal year end)

	Optical*	Uniform Shops
1988	234	38
1987	224	40
1986	205	41
1985	176	43
1984	155	43

*Company-owned and franchised.

Sales & Earnings

	Net Sales +	Net Income #
1988	$ 216,611,000	$ (477,000)
1987	210,546,000	(1,608,000)
1986	194,873,000	5,881,000
1985	191,111,000	4,858,000
1984	174,287,000	6,702,000

	No. of Com. Shares ‡	Earn. per Share #‡
1988	5,173,522	$ —
1987	5,280,572	—
1986	5,366,195	1.10
1985	5,276,325	0.92
1984	5,531,548	1.21

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $300,000 ($0.05 per share) in 1984.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Medical	$ 86,188,000	$ 87,681,000
Dental	27,473,000	23,270,000
Optical	102,950,000	99,595,000
Total	$ 216,611,000	$ 210,546,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 57,707,000	$ 11.15
1987	62,002,000	11.74
1986	66,499,000	12.39
1985	62,437,000	11.83
1984	61,211,000	11.07

‡ Based on the average number of common shares and common shares equivalents outstanding.

Income Account *

Year ended June 30	1988	1987
Net sales	$ 216,611,000	$ 210,546,000
Cost of sales	108,418,000	105,698,000
Franchise income	(4,386,000)	(811,000)
Expenses	105,437,000	97,488,000
Interest expense	4,492,000	3,971,000
Restruc. charges	3,357,000	—
Inc. (loss) bef. taxes	$ (707,000)	$ 4,200,000

Income taxes (credit)	(230,000)	1,764,000
Inc. (loss) - cont. oper.	$ (477,000)	$ 2,436,000
Loss - discont. oper.	—	(4,044,000)
Net Loss	$ (477,000)	$ (1,608,000)

• Included in Costs and Expenses, Depreciation and Amortization: $7,917,000 in 1988 and $7,885,000 in 1987.

Assets

As of June 30	1988	1987
Cash	$ 4,699,000	$ 5,209,000
Accts. receiv., net	19,048,000	19,717,000
•Inventories	38,111,000	37,216,000
Prepaid expenses & other current assets	883,000	1,060,000
Recov. taxes	4,305,000	53,000
Net assets of discont. oper.	—	243,000
Current Assets	$ 67,046,000	$ 63,498,000
#Fixed assets	63,823,000	65,204,000
Intangibles	2,866,000	2,903,000
Defer. charges	2,619,000	2,866,000
Net assets of discont. oper.	—	2,402,000
Other assets	1,847,000	1,291,000
Total Assets	$ 138,201,000	$ 138,164,000

Liabilities

Long-term debt, curr.	$ 1,366,000	$ 1,133,000
Notes payable	9,000,000	8,000,000
Accts. payable	11,198,000	12,716,000
Accrued payroll	4,101,000	4,916,000
Income taxes	759,000	351,000
Other taxes	1,933,000	2,367,000
Other current liabilities	5,470,000	6,202,000
Curr. Liabilities	$ 33,827,000	$ 35,685,000
Long-term debt	40,439,000	34,165,000
Deferred inc. taxes	5,447,000	5,134,000
Other liabilities	781,000	1,178,000
+Common stock	5,463,000	5,463,000
Add. paid-in capital	12,345,000	12,252,000
Retained earnings	44,860,000	47,165,000
Treasury stock	(4,961,000)	(2,878,000)
Total Liabilities & Shareholders' Equity	$ 138,201,000	$ 138,164,000

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.68	5.66
Debt to Equity	0.88	0.70
Working Capital	$ 33,219,000	$ 27,813,000
Current Ratio	1.98	1.78
Shareholders' Equity	$ 57,707,000	$ 62,002,000

Jacobson Stores Inc.

3333 Sargent Road
Jackson, Michigan 49201
(517) 764-6400
FAX: (517) 764-6427

Officers: J. R. Fowler, chairman of the board & chief executive officer; Mark K. Rosenfeld, president & chief operating officer; James B. Fowler, exec. v.p.-marketing; Nathan Forman, sr. v.p.-apparel merchandising; Paul W. Gilbert, exec. v.p. & chief financial officer; Donald Hathaway, v.p.-store group mgr.; Alan J. Herman, v.p.-electronic data processing; Robert L. Moles, sr. v.p.-operations; Paul T. Machtel, v.p. & store group manager; Floyd H. Pond, v.p. & store group manager; Joseph Fisher, v.p. & gen. mdse. mgr.; Alan M. Mandel, v.p. & store group mgr.; Timothy J. Spalding, controller; Robert L. Emmet, v.p. & divisional merchandise manager; Louis M. Landman, v.p. & divisional merchandise manager; Mary Lowey, v.p. & divisional merchandise manager; Richard Z. Rosenfeld, secretary; Robert M. Eaton, v.p. & treasurer; Frank W. Hones, asst. treasurer & asst. secretary.

Directors: J. R. Fowler, chairman; Herbert S. Amster, Frank Couzens, Jr., Raymond C. Fitzgerald, Edwin I. Goldring, Richard Z. Rosenfeld, Robert L. Rosenfeld, Mark K. Rosenfeld, Herman S. Kohlmeyer, Jr., Travis W. Pearse, Patricia Shontz Longe, Philip H. Power, James B. Fowler, Paul W. Gilbert.

Business Activities: Owns and operates 24 apparel and home furnishings stores in Michigan, Ohio and Florida.

Subsidiaries:

Jacobson Credit Corp.
3333 Sargent Road
Jackson, Michigan 49201

Jacobson Stores Realty Company
3333 Sargent Road
Jackson, Michigan 49201

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JCBS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	24	1986	20
1988	22	1985	20
1987	21		

Sales & Earnings

	Net Sales †	Net Income
1989	$ 394,181,000	$ 11,801,000
1988	356,504,000	11,035,000
1987	326,672,000	10,542,000
1986•	308,460,000	11,927,000
1985	275,038,000	9,657,000

	No. of Com. Shares #	Earn per Share #
1989	5,786,042	$ 2.04
1988	5,765,640	1.91
1987	5,759,694	1.83
1986•	5,698,880	2.09
1985	5,362,968	1.80

• 53 weeks.
† Including leased departments.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.485	—	—
1988	0.44	—	—
1987	0.44	—	—
1986	0.333	—	3-for-2
1985	0.21	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 85,566,000	$ 14.81
1988	76,536,000	13.25
1987	67,166,000	11.88
1986	58,276,000	10.52
1985	46,439,000	8.86

‡ Adjusted to reflect stock splits.

Income Account •
(000's)

Year ended	1/27/90	1/28/89
Net sales	$ 394,181	$ 356,504
Cost of sales	252,139	226,432
Expenses	116,134	106,550
Interest expense	8,431	7,187
Income before taxes	$ 17,477	$ 16,335
Income taxes	5,676	5,300
Net Income	$ 11,801	$ 11,035

• Included in Costs and Expenses, Depreciation and Amortization: $7,650,000 in 1989 and $6,796,000 in 1988.

Assets
(000's)

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 10,964	$ 18,811
Receiv., net	55,625	53,851
•Inventories	81,591	70,003
Prepaid expenses & other assets	2,319	2,514
Current Assets	$ 150,499	$ 145,179
#Fixed assets	92,626	88,783
Restricted funds	—	5,829
Other assets	6,941	5,272
Total Assets	$ 250,066	$ 245,063

Liabilities
(000's)

Long-term debt, curr.	$ 2,491	$ 2,824
Accts. payable	27,498	28,596
Accruals	14,480	13,542
Accrued income taxes	2,475	2,485
Curr. Liabilities	$ 46,944	$ 47,447
Long-term debt	110,158	112,902
Deferred inc. taxes	6,167	7,062
Other liabilities	1,231	1,116
+Common stock	5,966	5,965
Add. paid-in captial	7,108	7,078
Retained earnings	72,891	63,892
Treasury stock	(399)	(399)
Total Liabilities & Shareholders' Equity	$ 250,066	$ 245,063

• At cost (LIFO) using retail inventory method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.43	4.58
%Net Income to Sales	2.99	3.10
%Net Income to Equity	13.79	14.42
Sales to Inventories	4.83	5.09
Debt to Equity	1.32	1.51
Working Capital	$ 103,555,000	$ 97,732,000
Current Ratio	3.21	3.06
Shareholders' Equity	$ 85,566,000	$ 76,536,000

Jamesway Corporation

40 Hartz Way
Secaucus, New Jersey 07096-1526
(201) 330-6000
FAX: (201) 330-6206

Officers: Herbert Fisher, chairman & chief executive officer; Arlie G. Lazarus, president & chief operating officer; Barry Rockland, sr. v.p.-finance; Jerry F. Smith, sr. v.p.-store operations; Eric Zorn, sr. v.p.-administration; Gerald R. Fitzgerald, v.p.-personnel; Thomas Kiley, sr. v.p. & gen. mdse. mgr.-hardgoods; Andrew D. Loconti, v.p.-real estate; David Owens, v.p.-management information systems; Alfred Petrillo, v.p.-store planning & construction; Kenneth Simon, v.p.-new store development; Howard J. Blaugrund, secretary; Ralph Saltz, v.p.-legal, real estate; Joseph Piserchia, v.p.-inventory control; Walter Harvey, v.p. & treasurer; Gary Kauffman, v.p. & controller; James Varhol, v.p.-loss prevention; Robert Schneider, v.p.-distribution; John Harlow, v.p.-distribution.

Directors: Herbert Fisher*, chairman; Howard J. Blaugrund, Lee M. Bronster*, Kenneth Kwit, Arlie G. Lazarus*, Andrew D. Loconti*, Robert S. Bargar, Mortimer Steinberg, Brendan Byrne, Abraham Temkin, Howard Curd, Floyd Hall.

* Member of the Executive Committee

Business Activities: Operates a chain of 131 discount department stores in New Jersey, New York, Pennsylvania, Virginia, Delaware and Maryland.

Subsidiaries:

Horizon Advertising Agency, Inc.
Route 197 Realty Co.
Omnia Protective Services, Inc.
Hardware Distributors, Inc.
J.M.Y. Portraits Inc.

all at:
40 Hartz Way
Secaucus, New Jersey 07096-1526

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): New York

Ticker Symbol: JMY

Number of Stores: (at fiscal year end)

1989	131	1986	100
1988	121	1985	91
1987	111		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 855,124,000	$ 5,785,000
1988	782,504,000	9,680,000
1987	701,412,000	11,603,000
1986	612,392,000	12,124,000
1985	523,146,000	9,252,000

	No. of Com. Shares †	Earn per Share ‡
1989*	13,984,000	$ 0.41
1988	13,924,000	0.69
1987	13,838,000	0.82
1986	13,896,000	0.85
1985	13,746,000	0.66

* 53 weeks.
† Adjusted to reflect stock split.
‡ Based on the weighted number of common shares and common share equivalents adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.08	—	—
1988	0.08	—	—
1987	0.08	—	—
1986	0.06	—	2-for-1
1985	0.06	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 132,967,000	$ 9.51
1988	127,991,000	9.19
1987	118,783,000	8.58
1986	109,391,000	7.87
1985	97,314,000	7.08

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 855,124	$ 782,504
Inc. from leased depts.	16,424	14,235
Total income	$ 871,548	$ 796,739
Cost of sales	611,668	557,709
Expenses	226,504	202,408
Depreciation & amortization	13,283	12,035
Interest expense	11,054	8,945
Income before taxes	$ 9,039	$ 15,642
Income taxes	3,254	5,962
Net Income	$ 5,785	$ 9,680

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv	$ 23,207	$ 28,324
Receiv., net	11,014	7,761
*Inventories	207,265	190,966
Prepaid expenses & other curr. assets	9,319	8,685
Current Assets	$ 250,805	$ 235,736
#Fixed assets	80,586	75,471
Leased prop. under cap. leases	20,644	14,722
Other assets	7,610	4,374
Total Assets	$ 359,645	$ 330,303

Liabilities
(000's)

Long-term debt, curr.	$ 1,429	$ 1,552
Cap. lease oblig., curr	939	898
Accts. payable	64,519	50,358
Accruals	19,601	17,190
Income & other taxes	4,752	5,254
Curr. Liabilities	$ 91,240	$ 75,252
Long-term debt	66,042	68,141
Deferred inc. taxes	19,840	17,437
Cap. lease oblig.	22,576	16,482
Conv. subord. debt	24,990	25,000
Other liabilities	1,990	—
+Common stock	15,314	15,255
Add. paid-in capital	17,022	16,775
Retained earnings	105,896	101,226
Treasury stock	(5,265)	(5,265)
Total Liabilities & Shareholders' Equity	$ 359,645	$ 330,303

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.06	2.00
% Net Income to Sales	0.68	1.24
% Net Income to Equity	4.35	7.56
Sales to Inventories	4.13	4.10
Debt to Equity	0.68	0.68
Working Capital	$ 159,565,000	$ 160,484,000
Current Ratio	2.75	3.13
Shareholders' Equity	$ 132,967,000	$ 127,990,000

Jay Jacobs, Inc.

1530 5th Avenue
Seattle, Washington 98101
(206) 622-5400
FAX: (206) 621-9830

Officers: Jay Jacobs, chairman; Douglas A. Swerland, president; Craig Bohman, exec. v.p. & treasurer; Doris Williams, sr. v.p. & secretary; Larry Youngren, sr. v.p.; Celestina Sze, v.p.; Thomas McMahon, Jr., v.p.; Mary Ann Carson-Kelley, v.p.; Judy Gmur, v.p.; Nancy Ringstad, assistant treasurer.

Directors: Jay Jacobs, chairman; Craig Bohman, Douglas A. Swerland, Doris Williams, Larry Youngren, Irving Stanislaw, Robert O'Brien.

Business Activities: Operates 169 specialty retail apparel stores, selling fashion forward apparel, in regional shopping malls in 11 western states.

Subsidiaries:

D.D. Sloane
Imports and distributes women's sportswear, dresses and accessories which are sold to specialty retailers and department stores, as well as through the Company's retail stores.

D.D. Sloane (H.K.) Ltd.
Jay Jacobs of California, Inc.

Transfer Agent(s):

First Interstate Bank of Washington, N.A.
999 Third Avenue
Seattle, Washington 98104

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JAYJ (NASDAQ)

Number of Stores: (at fiscal year end)

1990	169	1988	139
1989	162	1987	121

Sales & Earnings

	Net Sales	Net Income
1990	$ 111,731,000	$ 3,125,000
1989	101,657,000	2,926,000
1988	103,738,000	2,459,000
1987	93,393,000	3,508,000
1986	81,147,000	2,150,000

	No. of Com. Shares +	Earn. per Share ‡
1990	5,801,313	$ 0.53
1989	5,794,913	0.50
1988	5,794,913	0.42
1987	4,785,689	0.69
1986	4,439,400	0.42

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Apparel retail	$ 100,020,000	$ 87,304,000
Apparel wholesale	16,203,000	17,605,000
Intersegment	(4,492,000)	(3,252,000)
Total	$ 111,731,000	$ 101,657,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 31,447,000	$ 5.42
1989	28,285,000	4.88
1988	25,359,000	4.38
1987	11,947,977	2.50
1986	7,516,633 †	1.69

† After allowing for preferred stock at stated value.
‡ Adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	1990	1989
Net sales	$ 111,731,000	$ 101,657,000
Cost of sales	80,364,000	72,517,000
Expenses	27,288,000	25,267,000
Interest income	(680,000)	(685,000)
Income before taxes	$ 4,759,000	$ 4,558,000
Income taxes	1,634,000	1,632,000
Net Income	$ 3,125,000	$ 2,926,000

* Included in Costs and Expenses, Depreciation and Amortization, $3,162,000 in 1990 and $3,011,000 in 1989.

Assets

As of Feb. 28	1990	1989
Cash & cash equiv.	$ 14,862,000	$ 11,489,000
Accts. receiv., net	2,354,000	3,361,000
Refundable taxes	—	439,000
* Inventories	11,754,000	10,855,000
Prepaid expenses	101,000	62,000
Deferred inc. taxes	188,000	144,000
Current Assets	$ 29,259,000	$ 26,350,000
# Fixed assets	13,067,000	11,658,000
Deferred inc. taxes	68,000	—
Total Assets	$ 42,394,000	$ 38,008,000

Liabilities

	1990	1989
Accts. payable	$ 7,557,000	$ 6,759,000
Accrued payroll	783,000	916,000
Other accruals	1,677,000	1,378,000
Inc. taxes payable	105,000	—
Curr. Liabilities	$ 10,122,000	$ 9,053,000
Deferred credits:		
Income taxes	—	92,000
Rents	809,000	540,000
Other	16,000	38,000
+ Common stock	12,160,000	12,123,000
Retained earnings	19,287,000	16,162,000
Total Liabilities & Shareholders' Equity	$ 42,394,000	$ 38,008,000

* At lower of cost or market using the retail method. Retail inventories at FIFO; wholesale at weighted average cost.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	4.26	4.48
% Net Income to Sales	2.80	2.88
% Net Income to Equity	9.94	10.34
Sales to Inventories	9.51	9.36
Working Capital	$ 19,137,000	$ 17,297,000
Current Ratio	2.89	2.91
Shareholders' Equity	$ 31,447,000	$ 28,285,000

Jetronic Industries, Inc.

4200 Mitchell Street
Philadelphia, Pennsylvania 19128
(215) 482-7660
FAX: (215) 482-3323

Officers: Daniel R. Kursman, chairman of the board, president & treasurer; Jerome I. Kursman, vice president, secretary; Garth E. Bower, group v.p.; Leonard W. Pietrzak, v.p.-finance; Peter J. Kursman, vice president; William L. Weiss, general counsel.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Herbert Myers, William L. Weiss, Peter Kursman, Garth E. Bower, David Silverman.

Business Activities: Operates two furniture and appliance stores in Greater Philadelphia under the name of "Levin's." Other activities include the design and manufacture of electronic communication and navigation systems, and the production of narrow tapes, shock cord, industrial straps, and related items.

Retail Subsidiary:

Harry Levin, Inc.
Engaged in the retail sale and servicing of furniture, appliances, home furnishings and related items through stores in Philadelphia, PA, and Turnersville,l NJ.

Transfer Agent(s):

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: JET

Number of Stores: (at fiscal year end)

1989	2	1986	14
1988	2	1985	14
1987	7		

Sales & Earnings

	Revenues †	Net Income +
1990	$ 45,750,000	$ (1,303,000)
1989	46,107,000	(173,000)
1988	47,563,000	(5,337,000)
1987	45,181,000	1,007,000
1986	37,821,000	1,510,000

	No. of Com. Shares ‡	Earn. per Share +‡
1990	2,457,000	$ —
1989	2,457,000	—
1988	2,457,000	—
1987	2,457,000	0.41
1986	2,454,000	0.62

(Loss)
† Of continuing operations only.
† Including extraordinary gains of $37,000 in 1990 and $68,000 in 1989.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business
(000's)

	1990	1989
Electronic communication & navigation equipment	$ 10,584	$ 10,619
Energy conversion products group	24,543	21,436
Retail furniture & appliances	10,623	14,052
Total	$ 45,750	$ 46,107

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	10%	—
1986	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 5,636,000	$ 2.29
1989	6,939,000	2.82
1988	7,183,000	2.92
1987	12,432,000	5.06
1986	11,298,000	4.60

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Jan. 31	1990	1989
Net sales	$ 44,766,000	$ 45,045,000
Other income	984,000	1,062,000
Total income	$ 45,750,000	$ 46,107,000
Cost of sales	34,679,000	34,870,000
Expenses	8,979,000	10,165,000
Prov. for doubtful accts.	119,000	324,000
Interest expense	1,693,000	1,649,000
Restruc. costs	—	631,000
Gain on prop. dispos.	—	(2,021,000)
Income before taxes	$ 280,000	$ 489,000
Income taxes	188,000	231,000
Inc. - cont. oper.	$ 92,000	$ 258,000
Loss - discont. oper.	(1,432,000)	(699,000)
Net Loss	$ (1,340,000)	$ (441,000)
Extraord. gain	37,000	68,000
Cum. effect of acct. change	—	200,000
Net Loss & extraord. gain	$ (1,303,000)	$ (173,000)

* Included in Costs and Expenses, Depreciation and Amortization: $632,000 in 1990 and $721,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 886,000	$ 686,000
Accts. receiv., net	11,145,000	12,741,000
*Inventories	6,918,000	10,895,000
Prepaid expenses	1,049,000	1,270,000
Book value of subsidiary to be sold	1,813,000	—
Current Assets	$ 21,811,000	$ 25,592,000
# Fixed assets	2,087,000	2,479,000
Goodwill	1,181,000	1,121,000
Other assets	1,098,000	1,184,000
Total Assets	$ 26,177,000	$ 30,376,000

Liabilities

	1990	1989
Notes payable	$ 8,732,000	$ 10,542,000
Long-term debt, curr.	364,000	441,000
Accts. payable	2,050,000	3,397,000
Accrued payroll	206,000	314,000
Other accruals	2,306,000	1,972,000
Curr. Liabilities	$ 13,658,000	$ 16,666,000
Long-term debt	6,883,000	6,771,000
+Common stock	246,000	246,000
Add. paid-in capital	9,473,000	9,473,000
Retained earnings (deficit)	(3,825,000)	(2,522,000)
Exercise of stock options	(258,000)	(258,000)
Total Liabilities & Shareholders' Equity	$ 26,177,000	$ 30,376,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tapes stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	6.47	4.13
Debt to Equity	2.84	2.56
Working Capital	$ 8,153,000	$ 8,926,000
Current Ratio	1.60	1.54
Shareholders' Equity	$ 5,636,000	$ 6,939,000

John Lewis plc

4 Old Cavendish Street
London, W1A 1EX, England

Directors: P. T. Lewis, chairman; I. A. J. Anderson, W. N. Wreford-Brown, D. R. Cloake, P. Falconer, L. H. Fletcher, J. B. Foster, S. Hampson, D. L. Felwick, G. P. K. Miller, B. A. O'Callaghan, D. J. Rawlings, B.J. Pritchard, secretary.

Business Activities: Operates 22 department stores in England and Scotland, under the "John Lewis" and other names. Also operates 94 Waitrose supermarkets in England. In addition, the Company manufactures textile products which are sold through the Company's department stores.

Subsidiaries:

John Lewis Properties plc
Waitrose Limited
Cavendish Textiles Limited
Stead, McAlpin & Company Limited
Herbert Parkinson Limited
John Lewis Overseas Limited
J.H. Birtwistle & Company Limited

Transfer Officer:

John Lewis plc
4 Old Cavendish Street
London, W1A 1EX, England

Stock Exchange(s): London

Number of Stores:

1990	111	1988	105
1989	107	1987	103

Sales & Earnings

	Net Sales	Net Income †
1990	£ 2,046,300	£ 66,500
1989	1,917,682	57,560
1988	1,724,834	47,529
1987	1,568,373	39,299
1986	1,369,593	29,946

	No. of Com. Shares	Earn. per Share †
1990	6,750,000	£ 9.85
1989	6,750,000	8.52
1988	6,750,000	7.04
1987	6,750,000	5.82
1986	6,750,000	4.44

£ - pound sterling.
† Including extraordinary gain of £ 18,600,000 (£ 2.76 per share) in 1990.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	3.0p	—	—
1989	3.0	—	—
1988	6.7	—	—
1987	7.4	—	—
1986	10.7	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1990	£ 658,500	£ 97.56
1989	589,787	87.38
1988	543,803	80.56
1987	396,918	58.80
1986	259,303	53.23

‡ After allowing for preferred stock at stated value.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	£ 2,046,300	£ 1,917,700
Value added tax	173,700	164,000
Total income	£ 1,872,600	£ 1,753,700
Cost of sales	1,320,800	1,243,400
Expenses:		
Selling & distr.	366,500	324,900
Administrative	52,100	29,300
Pension costs	9,400	16,700
Interest expense	13,600	7,900
Partnership bonus	41,300	47,400
Income before taxes	£ 68,900	£ 84,100
Income taxes	21,000	26,500
Net Income	£ 47,900	£ 57,600
Extraord. gain	18,600	—
Net Income & extraord. gain	£ 66,500	£ 57,600

* Included in Costs and Expenses, and Depreciation: £ 30,900,000 in 1990 and £ 26,000,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989
Cash	£ 18,700	£ 2,400
Investments	20,000	—
*Stocks	164,500	160,200
Debtors	157,100	138,300
Current Assets	£ 360,300	£ 300,900
#Fixed assets	712,600	624,700
Total Assets	£ 1,072,900	£ 925,600

Liabilities
(000's)

Bank loans & overdrafts	£ —	£ 20,000
Accts. payable	107,700	102,200
Holding company	1,400	1,300
Other payables	13,100	18,500
Taxes & social security	72,300	68,500
Accruals & deferred income	17,800	16,200
Proposed dividend	200	200
Partnership bonus	41,100	47,500
Curr. Liabilities	£ 253,600	£ 274,400
Long-term debt	158,600	59,200
+Preferred stock:		
5% first cumulative	1,500	1,500
7% cumulative	700	700
++Common stock	6,800	6,800
Share premium account	1,900	3,300
Revaluation reserve	161,100	169,200
Other reserves	1,400	1,400
Profit and loss account	487,300	409,100
Total Liabilities & Shareholders' Equity	£ 1,072,900	£ 925,600

* At lower of cost or net realizable value
# Less accumulated depreciation
+ No par value
++ £ 1 par value

Statistical Summary

%Income bef. Taxes to Sales	3.37	4.39
%Net Income to Sales	2.34	3.00
%Net Income to Equity	7.25	9.73
Sales to Inventories	12.44	11.97
Debt to Equity	0.24	0.13
Working Capital	£ 106,700,000	£ 26,500,000
Current Ratio	1.42	1.10
Shareholders' Equity	£ 660,700,000	£ 592,000,000

Judy's Inc.

7710 Haskell Avenue
Van Nuys, California 91406
(818) 787-0300
FAX: (213) 873-6200

Mailing address:
P.O. Box 9299
Van Nuys, California 91409-9917

Officers: Lawrence Israel, chairman of the board & treasurer; Marcia Israel, president & chief executive officer; Ben Sumner, v.p.-finance & secretary; Ronald Goldstein, v.p.-operations/store design; Irene Satz, v.p.-fashion direction; Bill Isaacs, v.p.-G.Hq., Inc..

Directors: Lawrence Israel, chairman; Marcia Israel, Preston Kline, Ben Sumner, Herbert Kern, Jack D. Steele.

Business Activities: Operates a chain of 104 Judy's retail apparel stores designed to appeal to young men and women, including 34 separate men's apparel stores under the name "G.Hq." These stores are located in California, Nevada, Texas, Arizona and New Mexico.

Subsidiaries:

Judy's Merchandising Corporation
570 Seventh Avenue
New York, New York 10018
(212) 921-8175

Judy's Fashion Valley, Inc.
Grasse, Inc.
G.Hq., Inc.

Transfer Agent(s):

Bank of America
National Trust & Savings Association
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JUDY (NASDAQ)

Number of Stores: (at fiscal year end)

1988	104	1985	85
1987	102	1984	78
1986	96		

Sales & Earnings

	Net Sales	Net Income
1989	$ 57,474,000	$ 352,000
1988	57,489,000	7,000
1987	58,717,000	426,000
1986	56,729,000	1,170,000
1985	50,493,000	1,017,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	4,569,000	$ 0.08
1988	4,529,000	—
1987	4,528,000	0.09
1986	4,526,000	0.26
1985	4,518,000	0.23

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.06	—	—
1988	0.06	—	—
1987	0.06	—	2-for-1
1986	0.06	—	—
1985	0.06	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 16,363,000	$ 3.58
1988	16,061,000	3.55
1987	16,316,000	3.60
1986	16,167,000	3.57
1985	15,247,000	3.37

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1989	1988
Net sales	$ 57,474,000	$ 57,489,000
Cost of sales	39,847,000	39,794,000
Expenses	17,654,000	18,045,000
Gain from sale of prop.	—	(700,000)
Interest expense	354,000	337,000
Inc. (loss) bef. taxes	$ (381,000)	$ 13,000
Income taxes (credit)	(133,000)	6,000
Cum. effect of acct. change	(600,000)	—
Net Income	$ 352,000	$ 7,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,876,000 in 1989 and $1,838,000 in 1988.

Assets

As of Jan. 31	1989	1988
Cash	$ 237,000	$ 449,000
Cash in trust	—	552,000
Accts. receiv., net	347,000	278,000
Receiv. from lessors	—	138,000
*Inventories	9,521,000	8,927,000
Prepaid expenses	890,000	841,000
Prepaid inc. taxes	153,000	—
Current Assets	$ 11,148,000	$ 11,185,000
#Fixed assets	11,376,000	11,232,000
Other assets	2,214,000	2,228,000
Total Assets	$ 24,738,000	$ 24,645,000

Liabilities

	1989	1988
Short-term bank borrowing	$ 300,000	$ —
Long-term debt, curr.	33,000	1,030,000
Checques issued but not presented for payment	940,000	364,000
Accts. payable	3,193,000	2,897,000
Dividends pay.	69,000	68,000
Accruals	1,336,000	1,237,000
Inc. taxes	—	62,000
Curr. Liabilities	$ 5,871,000	$ 5,658,000
Long-term debt	445,000	478,000
Deferred inc. taxes	2,059,000	2,448,000
+Common stock	2,308,000	2,265,000
Add. paid-in capital	2,033,000	1,853,000
Retained earnings	12,022,000	11,943,000
Total Liabilities & Shareholders' Equity	$ 24,738,000	$ 24,645,000

* At lower of cost (FIFO) or market, determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	—	0.02
%Net Income to Sales	0.61	0.01
%Net Income to Equity	2.15	0.04
Sales to Inventories	6.04	6.44
Debt to Equity	0.05	0.09
Working Capital	$ 5,277,000	$ 5,527,000
Current Ratio	1.90	1.98
Shareholders' Equity	$ 16,363,000	$ 16,061,000

Jumping-Jacks Shoes, Inc.

100 Fifth Street
Monett, Missouri 65708
(417) 235-3122
FAX: (417) 235-6522

Officers: John C. McPhee, president & chief executive officer; Gerald A. McCaffrey, executive v.p. & general manager; J. Wayne Fields, sr. v.p.-finance; Charles E. Hinkle, v.p.-administration & treasurer; Rose Mary Lobato, v.p. & general manager-Bernardo Division; Mario E. Moreno, v.p. & general manager-Jumping-Jacks Shoes Puerto Rico, Inc.; John J. McPhee, corporate v.p.; John E. Schaeffer, secretary.

Directors: John C. McPhee, Gerald A. McCaffrey, Rose Mary Lobato, Houston L. Hartley, Wilbur N. Lenz, Charles L. Smith.

Areas of Work: Operates 27 retail shoe stores in California, Colorado, Kansas, Missouri, Nevada, Pennsylvania, South Carolina, Virginia, and the Commonwealth of Puerto Rico, primarily under the name "Jumping-Jacks." Four of these stores operating under the name "Kenny Kardon" in the Pittsburgh, Pennsylvania, metropolitan area sell both footwear and apparel. The Company also designs, manufactures and distributes footwear.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): American

Ticker Symbol: JJS

Number of Stores:

1989	27	1987	26
1988	28		

Sales & Earnings

	Net Sales	Net Income
1989	$ 36,701,000	$ (3,264,000)
1988	41,144,000	(2,280,000)
1987	39,291,000	(401,000)
1986	41,657,000	843,000
1985	34,925,000	1,078,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	2,675,000	$ —
1988	2,675,000	—
1987	2,675,000	—
1986	2,675,000	0.32
1985	2,338,000	0.46

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	200-for-275

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 4,676,000	$ 1.75
1988	7,940,000	2.97
1987	10,220,000	3.82
1986	10,525,000	3.93
1985	9,318,000	3.99

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Apr. 30	1989	1988
Net sales	$ 36,700,875	$ 41,144,054
Cost of sales	25,808,309	28,742,866
Expenses	12,594,321	12,766,360
Interest expense	2,103,709	2,001,934
Other income	(871,010)	(339,872)
Loss before taxes	$ (2,934,454)	$ (2,027,234)
Income taxes	329,800	253,000
Net Loss	$ (3,264,254)	$ (2,280,234)

* Included in Costs and Expenses, Depreciation and Amortization: $720,135 in 1989 and $895,854 in 1988.

Assets

As of Apr. 30	1989	1988
Cash	$ 657,120	$ 693,987
Accts. receiv., net	4,987,717	4,270,283
*Inventories	13,477,899	16,719,801
Prepaid expenses	757,346	978,108
Current Assets	$ 19,880,082	$ 22,662,179
#Fixed assets	3,015,197	4,294,235
Assets held for sale	633,011	—
Other assets	848,431	838,252
Total Assets	$ 24,376,721	$ 27,794,666

Liabilities

	1989	1988
Revolv. credit agree.	$ 9,365,024	$ 8,600,000
Long-term debt, curr.	7,597,023	683,862
Accts. payable	1,198,556	1,255,783
Accruals	928,258	1,132,864
Deferred inc. taxes	611,885	—
Curr. Liabilities	$ 19,700,746	$ 11,672,529
Long-term debt	—	7,862,023
Deferred inc. taxes	—	319,885
+Common stock	26,750	26,750
Add. paid-in capital	3,945,333	3,945,333
Retained earnings	703,892	3,968,146
Total Liabilities & Shareholders' Equity	$ 24,376,721	$ 27,794,666

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
Sales to Inventories	2.72	2.46
Debt to Equity	1.62	1.08
Working Capital	$ 179,336	$ 10,989,650
Current Ratio	1.01	1.94
Shareholders' Equity	$ 4,675,975	$ 7,940,229

K Mart Corporation

3100 West Big Beaver Road
Troy, Michigan 48084
(313) 643-1000
FAX: (313) 643-5249

Officers: Joseph E. Antonini, chairman, president & chief executive officer; Larry M. Parkin, exec. v.p.-warehouse & grocery operations; Richard S. Miller, exec. v.p.-K mart Stores; Joseph R. Thomas, exec. v.p. & chief administrative officer; William D. Underwood, sr. v.p.-general merchandise; Roger E. Davis, sr. v.p., general counsel and secretary; Ronald R. Dejaeghere, v.p.-community affairs; Paul Huebner, v.p.-Western Region; Donald W. Keeble, v.p.-Midwestern Region; Anthony R. Mauro, v.p.-distribution & transportation, K mart Stores; James P. Churilla, v.p. & treasurer; Thomas M. Neilsen, v.p.-human resources & customer service; James E. Ford, v.p.-Eastern Region; Peter J. Palmer, v.p..-labor relations & asst. general counsel; Glenn B. Smith, v.p. & pres.-K mart Apparel Corp.; Jay D. Scussel, v.p.-systems development; Michael L. Skiles, v.p.-corp. facilities; A. Robert Stevenson, v.p.-public affairs; Bernard E. Thomas, sr. v.p.-personnel; John S. Valenti, v.p.-Southwestern Region; David Vine, v.p.-executive resources; Thomas H. Nigolian, sr. v.p.-store planning & interior design; Glen R. Mielke, v.p., & pres.-Builders Square, Inc.; James L. Moser, v.p. & merchandise systems coordinator; Thomas F. Murasky, sr. v.p. & chief financial officer; Robert C. McAllister, v.p.-Southern Region; David M. Carlson, sr. v.p.-corp. info. systems; Anthony N. Palizzi, v.p., assoc. gen. counsel & asst. secretary; Thomas W. Watkins, sr. v.p.-store operations; Michael G. Wellman, v.p.-marketing; William H. Parker, v.p.-sales & marketing; David L. Schuvie, v.p.-merchandising.

Directors: Joseph E. Antonini*, chairman; James F. Bere*, David B. Harper*, Donald S. Perkins*, Willie D. Davis, Joseph D. Flannery*, Gloria M. Shatto, Larry M. Parkin, Joseph R. Thomas, Ellen R. Marram, F. James McDonald, Richard S. Miller, J. Richard Munro.

* Member of the Executive Committee

Business Activities: Operates a chain of 2,351 discount stores in the United States, Canada, and Puerto Rico under the names "K mart," "Kresge" and "Jupiter." K mart Apparel Corp. operates ladies ready-to-wear departments. Also operates Waldenbooks, a chain of 1,255 retail book stores; Buildings Square, a chain of 141 warehouse home centers; Pay Less Drug Stores Northwest, a chain of 294 retail drug stores; Bargain Harold's, a chain with 155 discount stores in Canada; and 4 Office Square office furniture and supplies retail stores located in the Chicago area; PACE Membership Warehouse, Inc. a chain of 47 Warehouse clubs.

Subsidiaries:

K mart Canada Limited
Brampton, Ontario, Canada

K mart Apparel Corp.
North Bergen, New Jersey 07047

Builders Square, Inc.
San Antonio, Texas

Pay Less Drug Stores Northwest, Inc.
Wilsonville, Oregon

Walden Book Company, Inc.
Stamford, Connecticut

Makro, Inc.
Cincinnati, Ohio

PACE Membership Warehouse, Inc.
Aurora, Colorado

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): New York, Pacific, Tokyo

Ticker Symbol: KM

Number of Stores: (at fiscal year end)

1990	4,259	1987	3,782
1989	4,082	1986	3,614
1988	3,934		

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1990*	$ 29,533,000	$ 323,000
1989	27,301,000	803,000
1988	25,627,000	692,000
1987	23,812,000	582,000
1986	22,035,000	221,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990*	200,000,000	$ 1.61
1989	200,000,000	4.00
1988	202,000,000	3.40
1987	199,000,000	2.90
1986	188,000,000	1.15

* 53 weeks.
+ Of continuing operations only.
† Including extraordinary loss of $16,000,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
General merchandise:		
K mart stores, PACE warehouse, Makro & American Fare	$ 24,959,000	$ 23,187,000
Specialty retail:		
Pay Less Drug, Waldenbooks, Builders Square, Bargain Harold's Canada, Office Square, Sports Giant	4,574,000	4,114,000
Total	$ 29,533,000	$ 27,301,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 1.64	—	—
1989	1.32	—	—
1988	1.16	—	—
1987	1.00	—	3-for-2
1986	0.92	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1990	$ 4,972,000	$ 24.90
1989	5,009,000	25.12
1988	4,409,000	22.08
1987	3,939,000	19.66
1986	3,273,000	17.32

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/31/90 (53 weeks)	1/25/89
Net sales	$ 29,533,000	$ 27,301,000
Other income	389,000	387,000
Total income	$ 29,922,000	$ 27,688,000
Cost of sales	21,745,000	19,914,000
Expenses	6,071,000	5,603,000
Advertising	571,000	581,000
Restruc. of K mart stores	640,000	—
Interest expense	380,000	346,000
Income before taxes	$ 515,000	$ 1,244,000
Income taxes	192,000	441,000
Net Income	$ 323,000	$ 803,000

* Included in Costs and Expenses, Depreciation and Amortization: $461,000,000 in 1990 and $437,000,000 in 1989.

Assets
(000's)

As of	1/31/90	1/25/89
Cash	$ 353,000	$ 948,000
*Inventories	6,933,000	5,671,000
Accts. receiv. & other curr. assets	698,000	527,000
Current Assets	$ 7,984,000	$ 7,146,000
Investments in affil. cos.	512,000	506,000
#Fixed assets	3,850,000	3,896,000
Other assets & def. charges	799,000	578,000
Total Assets	$ 13,145,000	$ 12,126,000

Liabilities
(000's)

Long-term debt, curr.	$ 11,000	$ 1,000
Notes payable	601,000	—
Accts. payable	2,319,000	2,334,000
Accrued payroll taxes & other liabilities	830,000	649,000
Other taxes	322,000	282,000
Income taxes	216,000	226,000
Current Liabilities	$ 4,299,000	$ 3,492,000
Long-term debt	1,480,000	1,358,000
Oblig. under cap. leases	1,549,000	1,588,000
Deferred inc. taxes	100,000	220,000
Other liabilities	745,000	459,000
+Common stock	205,000	204,000
Add. paid-in capital	602,000	588,000
Restricted stock def. comp.	(1,000)	—
Retained earnings	4,341,000	4,345,000
Treasury stock	(146,000)	(131,000)
For. curr. trans. adj.	(29,000)	3,000
Total Liabilities & Shareholders' Equity	$ 13,145,000	$ 12,126,000

* At lower of cost or market using the retail method. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.74	4.56
% Net Income to Sales	1.09	2.94
% Net Income to Equity	6.50	16.03
Sales to Inventories	4.26	4.81
Debt to Equity	0.73	0.59
Working Capital	$ 3,685,000,000	$ 3,654,000,000
Current Ratio	1.86	2.05
Shareholders' Equity	$ 4,972,000,000	$ 5,009,000,000

Kay Jewelers, Inc.

320 King Street
Alexandria, Virginia 22314
(703) 683-3800
FAX: (703) 683-0645

Officers: Anthonie C. van Ekris, chairman & chief executive officer; Michael R. Lavington, president & chief operating officer; Joe Bernstein, sr. v.p.; Harry Braverman, v.p.; John Rambo, sr. v.p.; Roldan Fernandez, v.p. & chief financial officer; John F. Kosik, v.p., secretary & general counsel; Timothy Braun, vice president; William Heide, vice president; Harold Schlackman, vice president; Frank Schmidt, vice president; Ben Rifkin, vice president; Steven Shonebarger, vice president; Felix J. Pomponi, controller & principal accounting officer; Miguel Zarraga, treasurer.

Directors: Anthonie C. van Ekris, chairman of the board; Joerg Bucherer, Whitney I. Gerard, Hugh K. Joyce, Michael R. Lavington, Oliver Stahel.

Business Activities: Operates 494 jewelry stores and leased departments in 32 states under the names Kay Jewelers, J.B. Robinson, Marcus & Co., and Black, Starr & Frost.

Subsidiaries

Marcus & Co., Inc.
Operates 48 leased fine jewelry departments in major department stores.

Black, Starr & Frost, Ltd.
Retails exclusive jewelry in 20 store and hotel locations.

J.B. Robinson
Operates 82 jewelry stores primarily in the Midwest.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York

Ticker Symbol: KJI

Number of Retail Units: (at fiscal year end)

	Stores	Leased Departments
1989	446	48
1988	420	42
1987	401	42
1986	399	53
1985	290	48

Sales & Earnings

	Net Sales	Net Income
1989	$ 420,615,000	$ 196,000
1988	416,889,000	10,924,000
1987	365,530,000	10,489,000
1986	276,282,000	9,669,000
1985	230,389,000	7,481,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	12,332,000	$ 0.02
1988	12,432,000	0.88
1987	12,425,000	0.84
1986	12,448,000	0.78
1985	12,200,000	0.62

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.40	—	—
1988	0.32	—	5-for-4
1987	0.26	—	5-for-4
1986	0.20	—	5-for-4
1985	0.12	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 52,059,000	$ 4.22
1988	56,607,000	4.55
1987	48,112,000	3.87
1986	42,900,000	3.45
1985	35,781,000	2.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1990	1988
Net sales	$ 420,615	$ 416,889
Other income	5,976	3,423
Total income	$ 426,591	$ 420,312
Cost of sales	183,049	180,707
Expenses	189,364	168,363
Prov. for doubtful accts.	29,794	36,889
Interest expense	23,379	22,096
Income before taxes	$ 1,005	$ 12,257
Income taxes	809	1,333
Net Income	$ 196	$ 10,924

* Included in Costs and Expenses, Depreciation and Amortization: $13,504,000 in 1989 and $10,388,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 1,511	$ 103
Accts. receiv., net	17,952	15,328
*Inventories	199,141	171,657
Refund. inc. taxes	2,394	—
Def. inc. taxes	1,276	3,405
Other curr. assets	1,754	2,282
Current Assets	$ 224,028	$ 192,775
#Fixed assets	67,048	52,619
Due from Balfour Maclaine	3,700	3,700
Value of leases acq.	1,155	1,753
Other assets	8,125	8,046
Intangibles	17,136	14,146
Total Assets	$ 321,192	$ 273,039

Liabilities
(000's)

Notes payable	$ 36,000	$ 12,695
Long-term debt, curr.	8,343	1,200
Accts. payable	21,652	60,058
Accruals	19,252	21,391
Accrued interest	6,471	1,284
Accrued payroll	6,893	6,474
Due to NCNB	6,788	9,321
Taxes payable	—	21,103
Curr. Liabilities	$ 105,399	$ 133,526
Long-term debt	160,860	79,114
Deferred inc. taxes	2,874	3,792
+Common stock	12,448	12,448
Add. paid-in capital	15,705	15,236
Retained earnings	24,715	29,458
Treasury stock	(631)	(5)
Unpaid stock subscrip.	(178)	(530)
Total Liabilities & Shareholders' Equity	$ 321,192	$ 273,039

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.24	2.94
%Net Income to Sales	0.05	2.62
%Net Income to Equity	0.38	19.30
Sales to Inventories	2.11	2.43
Debt to Equity	3.94	1.64
Working Capital	$ 118,629,000	$ 59,249,000
Current Ratio	2.13	1.44
Shareholders' Equity	$ 52,059,000	$ 56,607,000

Kelly, Douglas & Company, Limited

P.O. Box 2039
Vancouver, British Columbia V6B 3S1, Canada
(604) 665-1200

(The company became a wholly-owned subsidiary of Loblaw Companies Limited of Toronto, June 18, 1989.)

Officers: Richard J. Currie, chairman; R. J. Addington, president; S. K. Darkazanli, sr. v.p.-corporate development & pres.-Prairie Region; D. M. McLellan, sr. v.p., & pres.-B.C. & Yukon region; Earle Barbour, v.p.-distribution services; R. J. Heys, v.p.-engineering & construction; Douglas W. Hunter, v.p.-real estate & development; F. L. Valair, v.p.-information systems; K. B. Williams, v.p.-corp. merchandising; D. N. DeLuca, v.p.-retail operations & marketing, B.C. & Yukon Region; A. E. Magner, v.p.-finance; T. M. Dyer, v.p., treasurer and secretary.

Directors: Raymond J. Addington, Richard J. Currie, James H. Farrell, John W. Thompson.

Business Activities: Engaged primarily in the wholesale and retail distribution of food and other products, and in dairy operations, operating in Western Canada. Retail food stores operates under the names "Real Canadian Superstores," "Extra Foods," "Super Valu," "Shop Easy," "Foodmaster," "Mr. Grocer," and "Quikmart."

Divisions and Subsidiaries:

Fairview Farms Limited
Foremost Foods Ltd.
Westfair Foods Ltd.
Westfair Wholesale Properties Ltd.
Western Commodities Ltd.
Western Grocers, Ltd.
Tomboy Stores, Ltd.
Economart Ltd.
SuperValu Stores, Ltd.
Westfair Products (1981) Ltd.

Transfer Agent(s):

National Trust Company
Toronto & Vancouver, Canada

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	$ 2,352,088	$ 28,113
1987	2,099,736	23,671
1986*	2,041,038	32,740
1985	1,887,590	24,047
1984	1,702,045	18,301

	No. of Com. Shares #	Earn. per Share #
1988	6,327,098	$ 4.44
1987	6,327,098	3.74
1986*	6,327,098	5.17
1985	6,327,098	3.80
1984	6,327,098	2.89

* 53 Weeks.
# Based on Class A and B shares combined.

Common Stock

	Cash Dividend ‡	Stock ividend	Stock Split
1988	$ 0.35	—	—
1987	0.35	—	—
1986	0.35	—	—
1985	0.35	—	—
1984	0.35	—	—

‡ Paid in Class A shares.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 271,998,000	$ 42.98
1987	249,579,000	39.45
1986	231,602,000	36.60
1985	204,556,000	32.33
1984	186,203,000	29.43

‡ Based on Class A and B Stock combined.

Income Account
(000's)

Year ended	12/31/88	1/2/88
Net sales	$ 2,352,088	$ 2,099,736
Investment income	4,294	3,650
Total income	$ 2,356,382	$ 2,103,386
Cost of sales	2,281,175	2,037,284
Depreciation & amortization	14,407	14,201
Interest expense	5,863	6,812
Income before taxes	$ 54,937	$ 45,089
Income taxes	26,764	21,358
Minority interest	60	60
Net Income	$ 28,113	$ 23,671

Assets
(000's)

As of	12/31/88	1/2/88
Cash	$ 8,525	$ 304
Accts. receiv., net	105,053	93,817
*Inventories	187,860	175,284
Prepaid expenses	2,948	2,997
Current Assets	$ 304,386	$ 272,402
#Fixed assets	213,740	175,517
Investments & other assets	17,874	22,863
Property under cap. leases	833	923
Defer. charges & intangibles	3,568	4,007
Total Assets	$ 540,401	$ 475,712

Liabilities
(000's)

Long-term debt, curr.	$ 1,263	$ 1,270
Cap. lease oblig., curr.	65	57
Bank advances	—	38,587
Accts. payable & accruals	187,631	155,352
Income taxes	18,143	10,681
Mortgage payable	2,960	—
Curr. Liabilities	$ 210,062	$ 205,947
Long-term debt	47,433	8,793
Cap. lease oblig.	1,215	1,275
Minority interest	595	595
Deferred inc. taxes	8,989	9,399
Deferred income	109	124
+Class A shares	41,717	41,717
+Class B shares	1,636	1,636
Retained earnings	228,645	206,226
Total Liabilities & Shareholders' Equity	$ 540,401	$ 475,712

* Retail store inventories are stated at the lower of cost and net realizable value less normal profit margin.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.34	2.15
%Net Income to Sales	1.20	1.13
%Net Income to Equity	10.34	9.48
Sales to Inventories	12.52	11.98
Debt to Equity	0.18	0.05
Working Capital	$ 94,324,000	$ 66,455,000
Current Ratio	1.45	1.32
Shareholders' Equity	$ 271,998,000	$ 249,579,000

Kenwin Shops, Inc.

4747 Granite Drive
Tucker, Georgia 30084
(404) 938-0451
FAX: (404)

Officers: Ira Abramson, chairman, v.p. & secretary; Robert Schwartz, president & asst. treasurer; Richard Moskowitz, v.p. & asst. secretary; Kenneth Silberstein, treasurer.

Directors: Richard Moskowitz, Robert Schwartz, Ira Abramson, Kenneth Silberstein, Martin L. Conrad, Henry Krauss.

Business Activities: Operates a chain of 190 ladies' and children's apparel shops which are concentrated in the South, under the names Peyton Shops, Kenwin, Smart & Thrifty, Blends 'N' Trends, Suzanne, Dixie, and Dress for Le$$.

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: KWN

Number of Stores: (at fiscal year end)

1989	190	1986	232
1988	204	1985	238
1987	221		

Sales & Earnings

	Net Sales	Net Income
1989	$ 27,023,976	$ 36,551
1988	26,169,989	(260,138)
1987*	27,674,195	(288,014)
1986	27,934,425	(398,911)
1985	29,503,884	610,949

	No. of Com. Shares ‡	Earn. per Share ‡
1989	406,410	$ 0.09
1988	406,410	—
1987*	406,418	—
1986	406,430	—
1985	433,608	1.42

(Loss)
* 53 weeks.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.25	—	—
1986	0.80	—	—
1985	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 6,571,856	$ 16.17
1988	6,535,305	16.08
1987	6,795,443	16.72
1986	7,185,308	17.68
1985	7,909,363	18.24

‡ Based on the weighted average number of shares outstanding.

Income Account

Year ended	12/31/89	1/1/89
Net sales	$ 27,023,976	$ 26,168,989
Cost of sales	17,127,904	16,478,341
Expenses	9,226,578	9,617,463
Depreciation & amortization	386,183	347,874
Interest income	(680)	(1,831)
Interest expense	232,440	215,280
Inc. (loss) bef. taxes	$ 51,551	$ (488,138)
Income taxes (credit)	15,000	(228,000)
Net Income (Loss)	$ 36,551	$ (260,138)

Assets

As of	12/31/89	1/1/89
Cash	$ 1,112,603	$ 1,269,269
Accts. receiv., net	4,533,514	4,375,075
*Inventories	5,260,175	4,465,837
Prepaid expenses	40,940	346,814
Deferred inc. taxes	131,000	—
Current Assets	$ 11,078,232	$ 10,456,995
#Fixed assets	1,989,221	1,705,341
Other assets	43,084	45,022
Total Assets	$ 13,110,537	$ 12,207,358

Liabilities

Notes payable	$ 2,100,000	$ 2,700,000
Accts. payable	3,407,992	2,159,155
Accruals	447,110	406,611
Customers deposits	212,093	195,215
Other taxes	338,486	185,072
Curr. Liabilities	$ 6,505,681	$ 5,646,053
Deferred inc. taxes	33,000	26,000
+Common stock	464,212	464,212
Add. paid-in capital	674,049	674,049
Retained earnings	6,338,107	6,301,556
Treasury stock	(904,512)	(904,512)
Total Liabilities & Shareholders' Equity	$ 13,110,537	$ 12,207,358

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.19	—
%Net Income to Sales	0.14	—
%Net Income to Equity	0.56	—
Sales to Inventories	5.14	5.86
Debt to Equity	0.32	0.41
Working Capital	$ 4,572,551	$ 4,810,942
Current Ratio	1.70	1.85
Shareholders' Equity	$ 6,571,856	$ 6,535,305

Kinder-Care, Inc.

2400 Presidents Drive
Montgomery, Alabama 36116
(205) 277-5090
FAX: (205) 271-1717

Officers: Perry Mendel, chairman of the board & chief executive officer; Richard J. Grassgreen, president, chief operating officer & secretary; Edward Gibson, exec. v.p.-child care; Eddie O. Nabors, exec. v.p. & chief financial officer; Charles B. Paterson, sr. v.p. & general counsel; Wayne Nellums, v.p.-corporate taxes; L. Wayne Drury, corporate controller; Cheryl D. Davis, v.p.- corporate taxes.

Directors: Perry Mendel, chairman; Richard J. Grassgreen, Aaron M. Aronov, Fred Berman, William L. Gauntt, Mark Sabel, Larry E. Wallock.

Business Activities: Through wholly owned subsidiaries, the Company operates a regional chain of 61 discount clothing stores in small towns in Alabama, Georgia and Mississippi under the name Bargain Town, and through Bargain Town, the Company operates approximately 50 one-price ladies' sportswear stores, Simply $6, in the Southeast. Kinder-Care also operates a chain of over 240 discount shoe stores in the southeastern U.S. under the name Shoe City. The Company also provides child day care, educational, insurance, financial and related services.

Retail Subsidiaries:

Kinder-Care Specialty Retail Group, Inc.

Shoe City, Inc.
527 Buckingham Drive
Montgomery, Alabama 36116
(205) 281-0170

Bargain Town U.S.A., Inc.
Birmingham, Alabama

Other Subsidiaries:

Kinder Care Learning Centers, Inc.
Operates 1,230 day care centers in 40 states and two Canadian provinces.

Sylvan Learning Corporation
Offers diagnostic testing and prescriptive instruction through reading, math and related programs for children and adults at 27 company-owned and 418 franchised learning centers.

Pioneer Western Holdings Corporation
Owns American Savings & Loan Association, a state-chartered savings and loan association offering financial services at 60 branches in Florida.

Pioneer Western Corporation
Provides life insurance and related products.

Western Reserve Life Assurance Co. of Ohio
Offers life insurance and other related products.

Portrait Industries Corporation
Provides picture and portrait services.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KNDR (NASDAQ)

Number of Stores:

1988	350
1987	260

Sales & Earnings

	Revenues	Net Income
12/31/88	$ 936,049,000	$ 43,268,000
12/31/87	506,182,000	26,303,000
12/31/86*	123,121,000	466,000
8/29/86	299,551,000	33,336,000
8/30/85	215,632,000	24,598,000

	No. of Com. Shares ‡	Earn. per Share ‡
12/31/88	54,263,000	$ 0.80
12/31/87	46,536,000	0.57
12/31/86*	44,741,000	0.01
8/29/86	44,687,000	0.75
8/30/85	39,265,000	0.63

* 18 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Child care	$ 369,130	$ 317,736
Financial services	425,353	180,327
Speciality retail	109,185	11,923
Corporate	62,216	5,182
Eliminations	(29,835)	(8,986)
Total	$ 936,049	$ 506,182

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
12/31/88	$ 0.08	—	—
12/31/87	0.015	—	—
12/31/86	0.015	—	4-for-3
8/29/86	0.04875	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/88	$ 395,295,000	$ 7.28
12/31/87	299,824,000	6.44
12/31/86	231,845,000	5.18
8/29/86	233,588,000	5.23
8/30/85	201,985,000	5.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Revenues	$ 936,049	$ 506,182
Child card serv. exp.	281,578	244,610
Cost of sales	92,449	6,679
Expenses	127,703	53,594
Interest expense	291,123	95,224
Insurance benefits	67,674	53,949
Other expense	26,854	24,632
Income before taxes	$ 48,668	$ 27,494
Income taxes	5,400	1,191
Net Income	$ 43,268	$ 26,303

* Included in Costs and Expenses, Depreciation and Amortization: $40,394,000 in 1988 and $24,578,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 91,870	$ 41,549
Interest bearing deposits	141,829	105,778
Inventories	98,499	51,191
Investments	1,424,875	555,124
Mortg.-backed secur.	2,291,717	538,851
Accts. receiv., net	1,216,054	342,723
# Fixed assets	465,337	352,026
Exc. cost over assets acq.	240,039	55,127
Defer. charges	116,627	66,590
Total Assets	$ 6,086,847	$ 2,108,959

Liabilities
(000's)

	1988	1987
Accts. payable & accruals	$ 175,827	$ 43,058
Savings deposits and adv.	3,432,667	835,519
Secur. sold under repurch. agree.	1,160,839	212,483
Insurance reserves	153,881	124,621
Long-term debt	619,593	540,278
Deferred credits & other liab.	148,745	53,176
+Common stock	27,452	24,394
Add. paid-in capital	223,280	172,279
Unreal. losses on secur.	(9,138)	(11,671)
Retained earnings	153,701	114,822
Total Liabilities & Shareholders' Equity	$ 6,086,847	$ 2,108,959

# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.20	5.43
%Net Income to Sales	4.62	5.20
%Net Income to Equity	10.95	8.77
Debt to Equity	1.57	1.80
Shareholders' Equity	$ 395,295,000	$ 299,824,000

The Kroger Co.

1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000
FAX: (513) 762-1400

Officers: Lyle Everingham, chairman of the board & chief exec. officer; Joseph A. Pichler, president & chief operating officer; Richard L. Bere, sr. v.p.; Lawrence Turner, v.p. & treasurer; Jack G. Hudson, group v.p.; Donald F. Dufek, sr. v.p.; Paul W. Heldman, v.p. & general counsel; Lorrence T. Kellar, group v.p.; Jack W. Partridge, Jr., group v.p.; Thomas E. Murphy, group v.p.; William J. Sinkula, sr. v.p.; Robert J. Hodge, sr. v.p.; Richard W. Dillon, vice chairman-Dillon Companies, Inc.; David B. Dillon, president & chief exec. officer-Dillon Companies, Inc.; Norma Skoog, v.p. & secretary.

Directors: Jackson C. Hinds, Lyle Everingham*, T. Ballard Morton, Jr.*, W. George Pinnell, Ray E. Dillon, Jr., Richard W. Dillon, Joseph A. Pichler*, William D. Atteberry*, John D. Ong, Patricia Shontz Longe, Thomas H. O'Leary, Raymond B. Carey, Jr., Otis M. Smith, John L. Clendenin.

* Member of the Executive Committee

Business Activities: Operates a chain of supermarkets in 32 states primarily in the South, Southwest and Midwest; operates a chain of convenience stores in 16 states; also conducts food processing operations.

Divisions and Subsidiaries:

Kroger Food Stores
Kroger Manufacturing

all located at:
1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000

Dillon Companies, Inc.
Hutchinson, Kansas
Operates convenience stores, supermarkets, and a dairy.

Martec Corporation
Operates Loaf 'N Jug convenience stores in Colorado, Oklahoma and New Mexico; also operates Hillside Dairy and Hillside Milk Barns.

Mini-Mart, Inc.
Casper, Wyoming
Operates convenience stores in Wyoming, Montana, Colorado, Nebraska, and North and South Dakota, under the name "Mini-Mart."

Transfer Agent(s):

First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: KR

Number of Stores: (at fiscal year end)

1986 . . . . 1,298 --
Drug 1985 . . . . . . 1,367 872
1989 . . . . 1,234 . . -. . . . . Convenience
1988 . . . . 1,235 -- 1989 956
1987 . . . . 1,317 -- 1988 958

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1989	$ 19,103,671	$ (72,722)
1988	19,053,020	34,522
1987	17,659,730	246,644
1986*	17,122,518	51,493
1985	15,966,620	180,750

	No. of Com. Shares †	Earn. per Share #‡
1989	83,720,299	$ —
1988	80,900,828	0.24
1987	78,571,917	2.99
1986*	84,063,921	0.55
1985	87,365,672	2.05

(Loss)
* 53 weeks.
+ Of continuing operations only.
# Including extraordinary loss of $56,471,000 in 1989.
† Adjusted to reflect stock split.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Food stores	$ 17,161,000	$ 15,965,000
Convenience stores	783,000	698,000
Other	888,000	854,000
Discontinued operations	272,000	1,536,000
Total	$ 19,104,000	$ 19,053,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.822 *	—	—
1987	1.050	—	—
1986	1.025	—	2-for-1
1985	1.000	—	—

* Not including a special dividend of $48.69 per share.
+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1989	$ (2,965,543)	$ —
1988	(2,928,509) ‡	—
1987	1,008,511 ‡	12.84
1986	1,029,771 ‡	12.25
1985	1,188,670	13.61

(Deficiency)
‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 19,103,671	$ 19,053,020
Cost of sales	14,845,637	14,823,687
Expenses	3,168,063	3,272,956
Rent expense	242,406	258,147
Depreciation & amortization	241,240	253,839
Div. & interest income	(15,861)	(10,453)
Interest expense	648,968	208,006
Restructuring	(18,043)	195,000
Inc. (loss) bef. taxes	$ (8,739)	$ 51,838
Income taxes	7,512	17,316
Net Income (Loss)	$ (16,251)	$ 34,522
Extraord. loss	(56,471)	—
Net Income (Loss) & extraord. loss	$ (72,722)	$ 34,522

Assets
(000's)

As of	12/30/89	12/31/88
Cash & cash invest.	$ 115,475	$ 211,049
Receivables, net	280,491	258,268
*Inventories	1,395,101	1,275,270
Property held for resale	23,376	98,585
Assets held for sale	3,124	384,608
Deferred inc. taxes	5,150	37,300
Prepaid and other curr. assets	225,493	204,721
Current Assets	$ 2,048,210	$ 2,469,801
#Fixed assets	1,912,085	1,910,474
Invest. and other assets	281,692	233,724
Total Assets	$ 4,241,987	$ 4,613,999

Liabilities
(000's)

Long-term debt, curr.	$ 165,706	$ 334,975
Oblig. under cap. leases, curr.	5,615	6,164
Notes payable	12,976	6,010
Accts. payable	1,131,810	1,095,060
Accrual for restruc.	30,015	45,809
Other curr. liabilities	723,120	677,052
Curr. Liabilities	$ 2,069,242	$ 2,165,070
Long-term debt	4,579,327	4,532,393
Oblig. under cap. leases	145,090	192,068
Deferred inc. taxes	293,825	302,294
Other liabilities	120,046	100,683
+Preferred stock	—	250,000
++Common stock	101,639	100,936
Retained earnings (deficit)	(2,609,090)	(2,516,592)
Treasury stock	(458,092)	(512,853)
Total Liabilities & Shareholders' Equity	$ 4,241,987	$ 4,613,999

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $100 par value, cumulative auction shares.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.27
%Net Income to Sales	—	0.18
Sales to Inventories	13.69	14.94
Working Capital	—	$ 304,731,000
Current Ratio	—	1.14
Shareholders' Equity (Deficiency) (000's)	$ (2,965,543)	$ (2,678,509)

Kyocera Corporation

5-22 Kitainoue-cho, Higashino
Yamashina-ku, Kyoto 607, Japan
(075) 592-3851

Directors: Kazuo Inamori, chairman & representative director; Kinju Anjo, vice chairman & representative director; Nobusuke Kanda, vice chairman & representative director; Kensuke Itoh, president & representative director; Shoichi Hamamoto, senior managing director; Yoshiteru Hamano, senior managing director; Yoshizo Yasuda, senior managing director; Katsumi Nishimura, senior managing director; Masao Kadota, sr. managing director; Koichi Nakamura, managing director; Yasuo Nishiguchi, managing director; Michihisa Yamamoto, managing director; Naoyuki Morita, managing director; Kiyohide Shirai, managing director; Rodney Lanthorne, managing director; Kenjiro Kimura, managing director; Shunji Nosaka, managing director; Masao Hori, managing director; Toshihiko Teshirogi, director; Taiichi Akiyama, director; Masahiro Yamamoto, director; Stuart Lubitz, director; Haruo Yoshida, director; Koji Seki, director; Shoichi Miginari, director; Shuzo Tanoh, director; Yuji Itoh, director; Yasuhiko Bando, director; Tsutomu Kinoshita, director; Atsushi Mori, director; Minoru Fujiyoshi, director; Shizuo Koyama, director; Yuzo Yamamura, director.

Business Activities: Operates retail jewelry stores in Japan. These stores feature the Company's Crescent Vert jewelry.

Activities other than retail include the manufacture and sale of products in three major segments: ceramic and related products for the electronics and other industries; electronic equipment consisting of communications, audio and business equipment; and optical and precision instruments consisting of cameras and camera lenses.

Subsidiaries and Affiliates (Japan):

Kyocera Electronic Equipment Co., Ltd.
Shibuya-ku, Tokyo

Tomioka Optical Co., Ltd.
Tokyo, Japan

Daini-Denden Inc. (25% interest)
Chiyoda-ku, Tokyo

Japan New-media System Co., Ltd. (50%-owned)
Setagaya-ku, Tokyo

Subsidiaries and Affiliates (non-Japan):

Kyocera International, Inc.
8611 Balboa Avenue
San Diego, California 92123
(619) 576-2600

Kyocera America, Inc.
San Diego, California

Kyocera Electronics, Inc.
Somerset, New Jersey

Kyocera Northwest, Inc.
Vancouver, Washington

Kyocera Unison, Inc. (81.36%-owned)
Berkeley, California

Kyocera Feldmuhle, Inc. (52.5%-owned)
Mountain Home, North Carolina

Yashica, Inc.
Somerset, New Jersey

Kinamed, Inc.
Los Angeles, California

Kyocera Canada, Inc.
Mississauga, Ontario, Canada

Yashica do Brasil-Industria e Comercio Ltda.
Sao Paulo, Brazil

Kyocera Mexicana S.A. de C.V.
Tijuana, Mexico

Yashica do Brasil-Exportacao e Industria Ltda.
Sao Paulo, Brazil

Feldmuhle Kyocera Europe

Yashica Kyocera GmbH
Hamburg, Federal Republic of Germany

Kyocera Electronics Europe GmbH
Dusseldorf, Federal Republic of Germany

Kyocera (Hong Kong) Ltd.
East Kowloon, Hong Kong

Universal Optical Industries Ltd.
Kowloon, Hong Kong

Acquisition:

Elco Corporation
A manufacturer of connectors for the electronics industry.

Transfer Agent(s):

Osaka Shoken Daiko Co., Ltd.
4-6 Kitahama 2-chome
Chuoh-ku
Osaka 541, Japan

ADR Depositary:

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): Tokyo, Osaka, Kyoto, New York*

Ticker Symbol: KYO (New York)* * Trades as an American Depositary Receipt (ADR).

Sales & Earnings x

	Net Sales (000's)	Net Income (000's)
1990	¥ 421,032,000	¥ 33,827,000
1989	391,099,000	33,293,000
1988	344,177,000	25,170,000
1987	309,595,000	17,905,000
1986	317,919,000	15,117,000

	No. of Com. Shares	Earn. per Share
1990	182,992,000	¥ 184.14
1989	165,817,000	183.25
1988	165,176,000	139.17
1987	161,187,000	106.24

¥ - Yen
x Restated to include operations of AVX Corporation, acquired on a pooling of interets basis.

Revenues by Line of Business
(millions)

	1990	1989
Ceramic & related prods.	¥ 300,508	¥ 287,000
Electronic equipment	76,776	65,554
Optical & precision instruments	43,748	38,545
Total	¥ 421,032	¥ 391,099

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	¥40.47	—	—
1989	41.51	—	—
1988	39.14	—	—
1987	39.43	—	—
1986	40.85	—	—

+ Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity (000's)	Equity Per Share
1990	¥ 458,742,000	¥2,506.90
1989	391,884,000	2,363.35
1988	354,409,000	2,145.64
1987	323,413,000	2,006.45
1986	314,925,000	—

x Restated.

Income Account *
(millions)

Year ended Mar. 31	1990	1989‡
Net sales	¥ 421,032	¥ 391,099
Cost of sales	284,848	265,889
Expenses	76,158	63,315
Interest expense	4,792	3,122
Interest income	(17,295)	(11,080)
For. curr. trans. loss	416	2,052
Eq. in inc. of affils.	(3,466)	(1,036)
Other expense	4,006	1,662
Income before taxes	¥ 71,573	¥ 67,175
Income taxes	37,746	33,882
Net Income	¥ 33,827	¥ 33,293

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: ¥ 22,782,000,000 in 1990 and ¥ 19,898,000,000 in 1989.

Assets
(millions)

As of Mar. 31	1990	1989‡
Cash & demand deposits	¥ 7,165	¥ 6,024
Time deposits	199,556	221,793
Short-term comm. notes	11,478	12,594
Short-term invest.	3,000	3,000
Marketable securities	5,489	4,615
Accts. receiv., net	105,937	89,134
*Inventories	76,431	61,228
Deferred inc. taxes	14,449	11,895
Current Assets	¥ 423,505	¥ 410,283
Investments & advances	41,612	39,890
#Fixed assets	125,835	101,453
Other assets	21,682	13,340
Total Assets	¥ 651,154	¥ 574,018

Liabilities
(millions)

Long-term debt, curr.	¥ 14,659	¥ 2,506
Notes & accts. payable	53,868	42,010
Accrued payroll	13,447	11,108
Accrued inc. taxes	20,967	19,372
Other accruals	9,876	8,113
Other current liabilities	2,291	2,506
Curr. Liabuties	¥ 115,108	¥ 85,615
Long-term debt	65,237	89,131
Other liabilities	11,289	6,999
Minority interest	778	389
+Common stock	96,484	74,387
Add. paid-in capital	134,454	115,827
Legal reserve	5,157	4,471
Retained earnings for special allow.	2,760	2,878
Retained earnings	246,013	219,830
For. curr. trans. adjust.	(14,245)	(25,509)
Treasury stock	(11,881)	—
Total Liabilities & Shareholders' Equity	¥ 651,154	¥ 574,018

‡ Restated.
* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.00	17.18
%Net Income to Sales	8.03	8.51
%Net Income to Equity	7.37	8.50
Sales to Inventories	5.51	6.39
Debt to Equity	0.17	0.23
Working Capital (000's)	¥ 308,397,000	¥ 324,668,000
Current Ratio	3.68	4.79
Shareholders' Equity (000's)	¥ 458,742,000	¥ 391,884,000

The Limited, Inc.

Two Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
(614) 479-4000
FAX: (614) 476-7226

Officers: Leslie H. Wexner, chairman of the board; Kenneth B. Gilman, exec. v.p. & chief financial officer; Thomas G. Hopkins, vice chairman; William K. Gerber, v.p. & controller; Timothy B. Lyons, v.p.-taxes; Alfred S. Dietzel, v.p.-financial and public relations; Margaret T. Monaco, v.p. & treasurer; Wade H. Buff, v.p.-internal audit; Bella Wexner, secretary.

Directors: Leslie H. Wexner, chairman; Thomas G. Hopkins, Bella Wexner, Kenneth B. Gilman, Claudine Malone, David T. Kollat, John K. Pfahl, Donald B. Shackelford, John W. Kessler, Martin Trust, W. Arthur Cullman, Raymond Zimmerman, Allan R. Tessler.

Business Activities: Engaged in the sale of a wide range of medium-priced women's fashion apparel to the 20 to 40 age group. The Company also operates 469 Limited Express stores designed to appeal to younger women, 15 to 25 years of age. Merchandise is chosen to provide a coordinated mix of sportswear, dresses, coats and intimate apparel for the fashion-oriented customer.

Subsidiaries:

Limited Stores
Operates 766 women's retail clothing stores.

Lane Bryant, Inc.
Operates 720 retail clothing stores, plus a mail order division.

Victoria's Street
Operates 384 stores specializing in intimate apparel, plus a mail order division.

Limited Express, Inc.
Operates 469 stores offering popular-priced sportswear and accessories for women 15 to 25 years of age.

Brylane, Inc.
Divided into three separate catalogue businesses, Lerner New York, Roaman's and Lane Bryant Fifth Avenue.

Mast Industries, Inc.
Manufacture and distribution of women's apparel.

Limited Credit Corp.
Limited Credit Funding

Finance subsidiaries.

Lerner Stores Corporation
Operates 802 women's retail apparel stores.

Henri Bendel
New York, New York
Women's specialty apparel store.

Limited Store Planning
Limited Real Estate
Limited Distribution Services

Abercrombie & Fitch
Operates 26 retail stores and a catalogue/mail order business, offering moderate to better-priced outdoor-oriented sportswear for men and women and related specialty non-apparel merchandise.

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, London, Tokyo

Ticker Symbol: LTD (New York)

Number of Stores: (at fiscal year end)

1989	3,168	1986	2,682
1988	3,381	1985	2,353
1987	3,095		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 4,647,916,000	$ 346,926,000
1988	4,070,777,000	245,136,000
1987	3,527,941,000	235,188,000
1986	3,142,696,000	227,780,000
1985	2,387,110,000	145,317,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	180,644,000	$ 1.92
1988	180,093,000	1.36
1987	188,313,000	1.25
1986	188,430,000	1.21
1985	182,819,000	0.80

* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.32	—	—
1988	0.24	—	—
1987	0.24	—	—
1986	0.16	—	3-for-2
1985	0.107	—	2-for-1

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,240,454,000	$ 6.90
1988	946,207,000	5.28
1987	729,171,000	4.08
1986	781,542,000	4.14
1985	404,075,000	2.25

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	2/3/90	1/28/89
Net sales	$ 4,647,916,000	$ 4,070,777,000
Cost of sales	3,201,281,000	2.856,074,000
Expenses	821,381,000	747,285,000
Interest expense	58,059,000	63,418,000
Other expnese (income)	(6,731,000)	7,864,000
Income before taxes	$ 573,926,000	$ 396,136,000
Income taxes	227,000,000	151,000,000
Net Income	$ 346,926,000	$ 245,136,000

* Included in Costs and Expenses, Depreciation and Amortization: $164,713,000 in 1989 and $142,469,000 in 1988.

Assets

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 21,734,000	$ 15,276,000
Accts. receiv., net	596,171,000	531,461,000
*Inventories	482,136,000	407,006,000
Prepaid expenses	63,703,000	69,851,000
Current Assets	$ 1,163,744,000	$ 1,023,594,000
#Fixed assets	1,172,688,000	1,066,646,000
Other assets	82,054,000	55,266,000
Total Assets	$ 2,418,486,000	$ 2,145,506,000

Liabilities

Accts. payable	$ 175,319,000	$ 189,184,000
Accruals	239,921,000	189,579,000
Income taxes	62,980,000	77,192,000
Curr. Liabilities	$ 478,220,000	$ 455,955,000
Long-term debt	445,674,000	517,952,000
Deferred inc. taxes	214,858,000	198,893,000
Other long-term liab.	39,280,000	26,499,000
+Common stock	94,863,000	94,863,000
Add. paid-in capital	196,232,000	203,693,000
Retained earnings	1,168,842,000	879,386,000
Treasury stock	(219,483,000)	(231,735,000)
Total Liabilities & Shareholders' equity	$ 2,418,486,000	$ 2,145,506,000

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.35	9.73
%Net Income to Sales	7.46	6.02
%Net Income to Equity	27.97	25.91
Sales to Inventories	9.64	10.00
Debt to Equity	0.36	0.55
Working Capital	$ 685,524,000	$ 567,639,000
Current Ratio	2.43	2.24
Shareholders' Equity	$ 1,240,454,000	$ 946,207,000

The Lionel Corporation

75 Madison Avenue
8th Floor
New York, New York 10016
(212) 685-7325
FAX: (215) 671-3800

Officers: Michael J. Vastola, chairman of the board, president, chief executive & financial officer; Marvin J. Katz, sr. v.p.; George A. Padgett, sr. v.p., secretary and general counsel; Thomas H. Fiedler, sr. v.p.-stores, Lionel Leisure; Martin S. Wainfan, sr. v.p.-real estate, Lionel Leisure; Robert M. Goldstein, v.p.-merchandising, Lionel Leisure; Mark E. Lewis, v.p.-finance, Lionel Leisure; Robert F. Amweg, treasurer, & assistant secretary-Lionel Leisure; Gerald D. Scott, v.p.-management information systems, Lionel Leisure; Joel H. Weiner, v.p.-advertising & sales promotion, Lionel Leisure; Louis P. Mongeluzzi, v.p. & assistant secretary; Louis Ciardulli, asst. controller; Michael E. Ables, regional v.p.-capital, Lionel Leisure; Kenneth B. Coleman, regional v.p.-Atlanta, Lionel Leisure; Bert H. Lange, regional v.p.-Northeast/Metro, Lionel Leisure; Robert H. Seroka, regional v.p.-Florida, Lionel Leisure; Howard A. Wiard, regional v.p.-Midwest, Lionel Leisure; James A. Smith, controller, Lionel Leisure.

Directors: Michael J. Vastola, chairman; Comer S. Coppie, William M. Kallop, Marvin J. Katz, George A. Padgett, Robert F. Raisbeck, Philomena D. Warihay, Donald J. Feerick, Roland D. Burkhart.

Subsidiaries:

Lionel Leisure, Inc.
2951 Grant Avenue
Philadelphia, Pennsylvania 19114
(215) 671-3800
Operates a chain of 92 toy supermarkets in 15 states under the names Lionel Kiddie City, Lionel Playworld, and Lionel Toy Warehouse. Major product lines include toys, games, hobbies, wheelgoods, juvenile furniture, playground equipment, pools, sporting goods, and camping equipment.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American, Pacific

Ticker Symbol: LIO

Number of Stores: (at fiscal year end)

1989	92	1986	65
1988	84	1985	56
1987	78		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 428,848,000	$ 343,000
1988	408,919,989	3,994,509
1987	340,838,846	5,776,911
1986	282,666,962	8,664,436
1985	246,075,840	39,587,614

	No. of Com. Shares #	Earn. per Share ‡ #
1989	13,503,592	$ 0.03
1988	13,497,721	0.30
1987	13,482,729	0.43
1986	13,429,363	0.65
1985	8,403,562	4.74

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $386,391 ($0.03 per share) in 1987 and $20,294,237 ($2.41 per share) in 1985.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 86,383,000	$ 6.40
1988	85,966,063	6.37
1987	81,970,378	6.08
1986	75,986,757	5.66
1985	66,765,206	7.94

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/27/90	1/28/89
Net sales	$ 428,848,000	$ 408,919,989
Cost of sales	313,009,000	292,577,123
Expenses	102,961,000	98,819,009
Depreciation & amortization	6,234,000	7,319,279
Interest expense	8,322,000	7,789,902
Other income	(2,203,000)	(3,051,833)
Inc. before taxes	$ 525,000	$ 5,466,509
Income taxes	182,000	1,472,000
Net Income	$ 343,000	$ 3,994,509

Assets

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 24,973,000	$ 33,890,811
Receivables, net	2,421,000	4,868,857
*Inventories	138,996,000	129,835,507
Prepaid expenses	6,987,000	5,174,655
Current Assets	$ 173,377,000	$ 173,769,830
#Fixed assets	56,837,000	54,298,760
Other assets	4,415,000	3,779,858
Total Assets	$ 234,629,000	$ 231,848,448

Liabilities

Long-term debt, curr.	$ 394,000	$ 373,625
Accts. payable	54,709,000	48,752,578
Accruals	12,298,000	16,512,616
Accrued taxes	3,952,000	4,443,255
Curr. Liabilities	$ 71,353,000	$ 70,082,074
Long-term debt	71,077,000	69,805,015
Deferred credit	2,076,000	2,407,296
Deferred inc. taxes	3,740,000	3,588,000
+Common stock	1,367,000	1,366,950
Add. paid-in capital	62,874,000	62,840,869
Retained earnings	22,622,000	22,279,307
Treasury stock	(480,000)	(521,063)
Total Liabilities & Shareholders' Equity	$ 234,629,000	$ 231,848,448

* At lower of cost (retail method) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.12	1.34
%Net Income to Sales	0.08	0.98
%Net Income to Equity	0.40	4.65
Sales to Inventories	3.09	3.15
Debt to Equity	0.83	0.82
Working Capital	$ 102,024,000	$ 103,687,756
Current Ratio	2.43	2.48
Shareholders' Equity	$ 86,383,000	$ 85,966,063

Liz Claiborne, Inc.

1441 Broadway
New York, New York 10018
(212) 354-4900
FAX: (212) 703-1394

Officers: Jerome A. Chazen, chairman of the board; Harvey L. Falk, vice chairmnan of the board & president; Jay Margolis, vice chairman of the board, women's sporswear group, president; Samuel M. Miller, sr. v.p.-finance; Jack Listanowsky, exec. v.p.-manufacturing & operations; Nina E. McLemore, sr. v.p.-accessories division, president; Allen McNeary, sr. v.p.-Retail group, president.

Directors: Jerome A. Chazen, Arthur Ortenberg, Elisabeth Claiborne Ortenberg, Harvey L. Falk, Leonard Boxer, J. James Gordon, Sherwin Kamin, Louis Lowenstein, Jay Margolis.

Business Activities: Designer of women's clothing - separates, dresses and related accessories - with collections designed specifically for the work and leisure-time needs of the career woman. The company also designs sportswear and furnishings for men and markets fragrances and related items. The company's retail division includes stores operating under the "Liz Claiborne," "Claiborne" and "First Issue" trademarks.

Trademarks and/or Brand Names: Liz Claiborne, Lizwear, Liz, Claiborne, Lissport, Dana Buchman, First Issue, Elisabeth, Liz & Co.

Divisions and Subsidiaries:

Collection Division
Sophisticated style of sportswear geared primarily for the career women's working needs.

Lizsport Division
Sportswear collections geared primarily for the home and the more casual working environment.

Lizwear Division
Casual style of sportswear geared primarily for weekend dressing needs.

Elisabeth Division
Apparel designed specifically for larger-sized women.

Dress Division
A wide variety of dresses, including a knitwear collection in both the "Missy" and petite size ranges.

Liz & Co.
Casual knit clothing in a variety of fabrics.

Claiborne (Menswear) Division
Men's sportswear.

Kayser-Roth Corporation
Manufactures and markets handbags, belts, scarves and other related accessories.

Lis Claiborne Cosmetics
Markets fragrances and related products under the Liz Claiborne name.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LIZC (NASDAQ)

Number of Stores:

1990 7
1989 13
1988 6

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,410,677,000	$ 164,591,000
1988*	1,184,229,000	110,341,000
1987	1,053,324,000	114,414,000
1986	813,497,000	86,194,000
1985	556,553,000	60,580,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	87,907,023	$ 1.87
1988*	87,484,695	1.26
1987	86,933,364	1.32
1986	86,270,552	1.00
1985	85,395,824	0.71

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to relfect stock dividend and stock split.

Revenues by Line of Business
(000's)

	1989	1988
Sportswear - misses	$ 666,200	$ 571,500
Sportswear - petites	164,800	135,500
Accessories	163,200	165,400
Dresses	139,100	142,500
Men's sportswear	112,600	96,600
Cosmetics	59,600	33,700
Outlet stores	39,100	21,200
Retail specialty stores	32,900	7,600
Canada	27,100	6,800
Dana Buchman	15,300	12,100
Elisabeth	10,900	—
Men's furnishings	9,800	17,000
Liz & Co.	8,500	—
Licensing	3,700	4,600
Girls	—	400
Eliminations	(42,100)	(30,700)
Total	$ 1,410,700	$ 1,184,200

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 0.19	—	—
1988	0.18	—	—
1987	0.16	—	2-for-1
1986	0.12	—	—
1985	0.08	100%‡	—

+ Adjusted to reflect stock dividend and stock split.
‡ Declared Feb. 25, 1986.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 611,662,000	$ 6.94
1988	457,826,000	5.22
1987	356,956,000	4.10
1986	247,787,000	2.86
1985	162,729,000	1.90

‡ Adjusted to reflect stock dividend and stock split.

Income Account *
(000's)

Year ended	12/30/89 (53 weeks)	12/31/88
Net sales	$ 1,410,677	$ 1,184,229
Cost of sales	841,736	758,285
Expenses	321,882	255,460
Interest expense	1,317	1,334
Interest income	(24,149)	(13,191)
Income before taxes	$ 269,891	$ 182,341
Income taxes	105,300	72,000
Net Income	$ 164,591	$ 110,341

* Included in Costs and Expenses, Depreciation and Amortization: $15,684,000 in 1989 and $10,322,000 in 1988.

Assets
(000's)

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 82,182	$ 117,511
Short-term invest.	290,703	160,810
Accts. receiv., net	131,470	68,674
*Inventories	198,164	167,982
Deferred inc. tax benefits	10,625	8,736
Other curr. assets	33,273	25,362
Current Assets	$ 746,417	$ 549,075
#Fixed assets	99,914	77,732
Other assets	2,192	2,275
Total Assets	$ 848,523	$ 629,082

Liabilities
(000's)

Long-term debt, curr.	$ 443	$ 357
Accts. payable	86,625	71,377
Accruals	95,723	63,162
Income taxes	26,519	12,110
Curr. Liabilities	$ 209,310	$ 147,006
Long-term debt	15,643	14,107
Deferred inc. taxes	11,908	10,143
+Common stock	88,202	87,768
Add. paid-in capital	41,353	35,099
Retained earnings	482,496	334,959
Treasury stock	(389)	—
Total Liabilities & Shareholders' Equity	$ 848,523	$ 629,082

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before taxes to Sales	19.13	15.40
%Net Income to Sales	11.67	9.32
%Net Income to Equity	26.91	24.10
Sales to Inventories	7.12	7.05
Debt to Equity	0.03	0.03
Working Capital	$ 537,107,000	$ 402,069,000
Current Ratio	3.57	3.74
Shareholders' Equity	$ 611,662,000	$ 457,826,000

Loblaw Companies Limited

(77%-owned by George Weston Limited)

22 St. Clair Avenue East
Toronto, Ontario M4T 2S8, Canada
(416) 922-8500
FAX: (416) 922-4395

Officers: W. Galen Weston, chairman of the board; Richard J. Currie, president; Raymond J. Addington, exec. v.p.; David A. Nichol, exec. v.p.; David M. Williams, exec. v.p.; Brian Y. Davidson, exec. v.p.; David Bragg, sr. v.p.-planning & control; James H. Farrell, v.p., general counsel & secretary; John N. McCullough, v.p. & asst. gen. counsel; John W. Thompson, sr. v.p.-finance & administration; Donald G. Reid, v.p. & treasurer; Dorothy M. Leamen, asst. secretary; Stewart E. Green, asst. secretary; Stephen A. Smith, v.p. & controller; Richard P. Mavrinac, v.p.-taxation; Andrew W. Smith, v.p.-labour relations; Louise M. Lacchin, asst. treasurer; Glenn D. Leroux, asst. v.p.-risk mgmt..

Directors: W. Galen Weston, chairman; Richard J. Currie, Charles M. Humphrys, Robert H. Kidd, Roger A. Lindsay, Arthur H. Mingay, David A. Nichol, Shirley E. Robertson.

Business Activities: A Canadian holding company controlling major interests in food retailing and wholesaling in Canada and the United States. In addition to its food-related operations, Loblaw, through its subsidiaries, also participates in the Canadian general merchandise industries.

Divisions and Subsidiaries:

National Tea Company
Rosemont, Illinois
Operates supermarkets in the central United States.

Loblaws Supermarkets Limited
Toronto, Ontario, Canada
Operates food stores in Ontario, Canada, under the Loblaws and Ziggys names.

Zehrmart Inc.
Cambridge, Ontario, Canada

Zehr's Markets Division
Cambridge, Ontario, Canada
Operates retail supermarkets under the Zehr's and Gordon names in southwestern and north central Ontario.

National Grocers Company, Limited
Toronto, Ontario, Canada
A wholesale organization supplying retail food stores and institutions throughout Ontario and Quebec.

Atlantic Wholesalers Limited
Sackville, New Brunswick, Canada
Wholesaler of groceries, meat and produce in the Maritime provinces.

Kelly, Douglas & Company, Limited
Vancouver, British Columbia, Canada
Engaged primarily in the wholesale and retail distribution of food and drug products, and also in extensive food manufacturing, catering, restaurant supply and dairy operations, operating mainly in western Canada and the prairies.

Central Canada Grocers, Inc.
Toronto, Ontario, Canada

Combined Merchandisers, Inc.
Toronto, Ontario, Canada

Westfair Foods Ltd.
Winnipeg, Manitoba, Canada

Loblaw International Merchants
Toronto, Ontario, Canada

Intersave Buying & Merchandising Services
Toronto, Ontario, Canada

Capitol Stores Ltd.
Halifax, Nova Scotia, Canada
Operates a chain of six food stores.

Fortino's Supermarket Ltd.
Toronto, Ontario, Canada

Hasty Market Inc.
Toronto, Ontario, Canada

IPCF Properties, Inc.
Toronto, Ontario, Canada

Transfer Agent(s):

National Trust Company
Toronto, Montreal, Calgary, Winnipeg, Regina, Halifax & Vancouver, Canada

Stock Exchange(s): Toronto, Montreal, Vancouver

Ticker Symbol: LA(Class A); LA(Class B)

Number of Stores (at fiscal year end)

1989	334
1988	311
1987	361
1986	380
1985	363

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1989	$ 7,933,900	$ 70,200
1988	8,307,600	26,200
1987	8,630,700	73,600
1986*	7,838,900	73,700
1985	6,931,100	67,100

	No. of Com. Shares +	Earn. per Share ‡ +
1989	$ 72,255,301	$ 0.80
1988	72,111,000	0.21
1987	72,427,009	0.87
1986*	71,390,384	0.91
1985	71,305,892	0.85

* 53 weeks.
‡ Including extraordinary loss of $14,600,000 ($0.20 per share) in 1988.
+ Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.18	—	2-for-1
1985	0.16	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 521,700,000	$ 7.10
1988	486,300,000	6.62
1987	524,900,000	7.12
1986	486,300,000	6.68
1985	426,600,000	5.85

‡ After allowing for preferred stock at stated values.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 7,933,900	$ 8,307,600
Cost of sales & exp.	7,643,300	8,049,800
Depreciation	100,100	97,600
Interest expense	79,600	74,200
Unusual item	—	21,500
Income before taxes	$ 110,900	$ 64,500
Income taxes	38,500	19,400
Minority interest	2,200	4,300
Net Income	$ 70,200	$ 40,800
Extraord. loss	—	(14,600)
Net Income & extraord. loss	$ 70,200	$ 26,200

Assets
(000's)

As of	12/30/89	12/31/88
Cash & invest.	$ 24,500	$ 23,500
Accts. receiv., net	139,600	168,600
*Inventories	579,600	555,000
Prepaid expenses	16,800	18,100
Current Assets	$ 760,500	$ 765,200
Investments	131,600	117,500
#Fixed assets	981,500	977,500
#Prop. under cap. leases	62,900	74,900
Intangibles	69,700	35,700
Other assets	33,400	33,100
Total Assets	$ 2,039,600	$ 2,003,900

Liabilities
(000's)

Bank advances & notes payable	$ 8,300	$ 63,400
Long-term debt, curr.	47,100	4,700
Accts. payable	490,600	412,100
Accruals	177,500	191,100
Taxes payable	−2,900	13,000
Curr. Liabilities	$ 726,400	$ 684,300

Loblaw Companies Limited

Long-term debt	494,000	554,700
Other liabilities	26,800	34,900
Deferred inc. taxes	46,400	37,200
Minority interest	—	41,700
+First pref stock:		
First series	22,000	22,000
Second series	10,400	10,800
+Second pref. stock:		
First series	—	30,000
Second series	—	25,000
Third series	75,000	75,000
Fourth series	60,000	—
Fifth series	55,000	—
+Junior pref. stock	1,900	2,000
+Common stock	108,900	108,200
Add. paid-in capital	9,000	9,000
Retained earnings	433,900	390,400
Curr. trans. adj.	(30,100)	(21,300)
Total Liabilities & Shareholders' Equity	$ 2,039,600	$ 2,003,900

• Retail store inventories at lower of cost and net realizable value less normal profit margin. All other inventories at lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.40	1.07
%Net Income to Sales	0.88	0.68
%Net Income to Equity	9.41	6.27
Sales to Inventories	13.69	10.89
Debt to Equity	0.73	0.86
Working Capital	$ 34,100,000	$ 80,900,000
Current Ratio	1.05	1.12
Shareholders' Equity	$ 746,000,000	$ 651,100,000

Longs Drug Stores, Inc.

141 North Civic Drive
P.O. Box 5222
Walnut Creek, California 94596
(415) 937-1170
FAX: (415) 944-6657

Officers: J. M. Long, chairman of the board; R. M. Long, president & chief exec. officer; S. D. Roath, exec. v.p.; R. A. Plomgren, sr. v.p.-development; B. M. Brandon, sr. v.p.; D. R. Wilson, sr. v.p.-marketing; G. A. Duey, sr. v.p.; A. A. Arrigoni, v.p.-construction; T. R. Sweeney, vice president; J. G. Daleth, vice president; D. J. Fong, v.p.-pharmacy; S. Petrucelli, vice president; K. J. Westover, v.p.-training; R. W. Wilson, vice president; D. D. England, vice president; M.K. Raphel, vice president; V. H. Howe, vice president; R.W. Vienop, vice president; W. G. Combs, v.p.-administration & treasurer; O. D. Jones, sr. v.p.-properties & secretary; L. C. Anderson, v.p.-personnel; Grover White, v.p. & controller.

Directors: J. M. Long, chairman; T. J. Long, R. M. Long, I. W. Rowland, Samuel B. Stewart, Ronald A. Plomgren, D.G. DeSchane, T. R. Sweeney, S. D. Roath, W. G. Combs, E. E. Johnston, F.E. Trotter, R. M. Brooks.

Business Activities: Operates a chain of 248 drug stores located in California, Hawaii, Alaska, Navada, Arizona and Colorado. Of these stores, 211 are located in California.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California 94120

Stock Exchange(s): New York

Ticker Symbol: LDG

Number of Stores: (at fiscal year end)

1990	248
1989	236
1988	229
1987	222
1986	208

Sales & Earnings

	Net Sales	Net Income
1990	$ 2,110,574,000	$ 61,294,000
1989	1,925,451,000	55,858,000
1988	1,772,460,000	49,218,000
1987	1,635,442,000	38,594,000
1986	1,480,830,000	37,718,000

	No. of Com. Shares	Earn. per Share ‡
1990	20,132,000	$ 3.01
1989	19,993,000	2.75
1988	20,545,000	2.33
1987	21,142,000	1.78
1986	21,741,000	1.74

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.94	—	—
1989	0.86	—	—
1988	0.79	—	—
1987	0.75	—	—
1986	0.70	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 335,822,000	$ 16.31
1989	309,077,000	15.42
1988	299,809,000	14.37
1987	290,444,000	13.74
1986	289,838,000	13.33

Income Account*
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 2,110,574	$ 1,925,451
Cost of sales	1,583,287	1,445,923
Expenses	347,558	315,350
Occupancy	78,735	71,520
Income before taxes	$ 100,994	$ 92,658
Income taxes	39,700	36,800
Net Income	$ 61,294	$ 55,858

* Included in Costs and Expenses, Depreciation: $18,170,000 in 1990 and $16,225,000 in 1988.

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 24,571	$ 21,833
Accts. receiv., net	27,330	23,001
*Inventories	224,774	196,678
Other curr. assets	9,261	8,290
Current Assets	$ 285,936	$ 249,802
#Fixed assets	280,789	257,754
Total Assets	$ 566,725	$ 507,556

Liabilities
(000's)

Accts. payable	$ 109,077	$ 105,700
Compensation	24,707	28,983
Income taxes	2,901	4,996
Other taxes	25,215	21,878
Guar. of profit-sharing debt	1,321	—
Other curr. liab.	22,207	18,016
Curr. Liabilities	$ 185,428	$ 179,573
Guar. of profit-sharing debt	22,439	—
Deferred inc. taxes	23,036	18,906
+Common stock	10,066	9,997
Add. paid-in capital	58,923	31,504
Contrib. to profit-sharing	7,500	700
Guar. of profit-sharing debt	(23,760)	—
Retained earnings	283,093	266,876
Total Liabilities & Shareholders' Equity	$ 566,725	$ 507,556

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.79	4.81
%Net Income to Sales	2.90	2.90
%Net Income to Equity	18.25	18.07
Sales to Inventories	9.39	9.79
Working Capital	$ 100,508,000	$ 70,229,000
Current Ratio	1.54	1.39
Shareholders' Equity	$ 335,822,000	$ 309,077,000

Lowe's Companies, Inc.

State Highway 268 East
P.O. Box 1111
North Wilkesboro, North Carolina 28656
(919) 651-4000
FAX: (919) 651-4766

Officers: Robert L. Strickland, chairman of the board; Leonard G. Herring, president & chief executive officer; Wendell R. Emerine, exec. v.p.-store operations & merchandising; Dwight E. Pardue, sr. exec. v.p.-real estate; William H. McElwee, Sr., corporate counsel; Arnold N. Lakey, v.p.-credit mgmt.; Richard D. Elledge, v.p. & secretary; Harry B. Underwood, II, sr. v.p. & treasurer; John W. Vining, Jr., v.p.-administration; Leslie G. Shell, III, controller; W. Nathan Mitchell, asst. secretary; William C. Warden, Jr., asst. secretary; William F. Reins, asst. treasurer; Kenneth A. Neal, asst. treasurer.

Directors: Petro Kulynych, William H. McElwee, Sr., Leonard G. Herring, Robert L. Strickland, Russell B. Long, Gordon E. Cadwgan, Robert G. Schwartz, Jack C. Shewmaker, William A. Andres, John M. Belk.

Business Activities: Operates a group of merchandise stores specializing in lumber, building materials, hardware, appliances and a variety of other consumer products. Stores are located in 20 states, principally in the South.

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Box 3001
Winston-Salem, North Carolina 27102-3001

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: LOW

Number of Stores: (at fiscal year end)

1989	306
1988	296
1987	295
1986	300
1985	282

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 2,650,547,000	$ 74,912,000
1989	2,516,879,000	69,201,000
1988	2,442,177,000	61,180,000
1987	2,283,480,000	52,219,000
1986	2,072,569,000	59,714,000

	No. of Com. Shares +	Earn per Share ‡ +
1990	37,278,000	$ 2.01
1989	37,748,000	1.83
1988	39,719,000	1.54
1987	39,029,000	1.34
1986	36,509,000	1.64

‡ Including extraordinary loss of $2,885,000 ($0.07 per share) in 1986.
+ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Structural lumber	$ 455,000	$ 470,000
Bldg. commod. & millwork	761,000	720,000
Home decor. & illum.	346,000	307,000
Kitch., bath & laundries	237,000	233,000
Heating, cooling & water syst.	144,000	129,000
Home entertainment	125,000	119,000
Recreation, yard, patio, garden & farms	261,000	223,000
Tools	112,000	88,000
Spec. order sales	210,000	228,000
Total	$ 2,651,000	$ 2,517,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.49	—	—
1989	0.46	—	—
1988	0.43	—	—
1987	0.40	—	—
1986	0.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 645,558,000	$ 17.32
1989	586,851,000	15.55
1988	582,436,000	14.66
1987	540,534,000	13.85
1986	407,373,000	11.16

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 2,650,547	$ 2,516,879
Cost of sales	2,004,164	1,916,433
Expenses	447,571	410,060
Depreciation	46,134	41,184
Emp. retire. ben.	24,654	22,608
Interest expense	19,228	20,990
Income before taxes	$ 108,796	$ 105,604
Income taxes	33,884	36,403
Net Income	$ 74,912	$ 69,201

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 55,566	$ 60,257
Accts. receiv., net	121,897	127,738
•Inventories	407,677	379,383
Def. inc. taxes	1,196	706
Other curr. assets	9,610	9,466
Current Assets	$ 595,946	$ 577,550
#Fixed assets	507,811	479,886
Other assets	43,637	28,361
Total Assets	$ 1,147,394	$ 1,085,797

Liabilities
(000's)

Long-term debt, curr.	$ 10,658	$ 12,391
Short-term notes pay.	1,994	256
Accts. payable	210,197	203,956
Emp. retire. plans	21,131	6,537
Accrued payroll	21,225	18,382
Other liabilities	42,685	44,211
Curr. Liabilities	$ 307,890	$ 285,733
Long-term debt	167,896	190,056
Def. inc. taxes	26,050	23,157
+Common stock	19,878	19,819
Add. paid-in capital	178,733	176,698
Retained earnings	497,018	440,334
Treasury stock	(50,071)	(50,000)
Total Liabilities & Shareholders' Equity	$ 1,147,394	$ 1,085,797

• At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.10	4.20
%Net Income to Sales	2.83	2.75
%Net Income to Equity	11.60	11.79
Sales to Inventories	6.50	6.63
Debt to Equity	0.28	0.35
Working Capital	$ 288,056,000	$ 291,817,000
Current Ratio	1.94	1.01
Shareholders' Equity	$ 645,558,000	$ 586,851,000

L. Luria & Son, Inc.

5770 Miami Lakes Drive
Miami Lakes, Florida 33014
(305) 557-9000
FAX: (305) 556-8726

Officers: Leonard Luria, chairman, treasurer & chief executive officer; Peter Luria, president & chief operating officer; Gary Y. Holtzman, sr. v.p.-operations & stores; Jeffrey A. Bayer, v.p.-general merchandise; Henry S. Luria, v.p.-real estate; Neil Mergler, v.p.-jewelry.

Directors: Leonard Luria, chairman; Peter P. Luria, Sydney A. Luria, Edwin D. Marks, Harold Wolfson, Harry J. Diven, Jr., Henry S. Luria, Harold Yassky.

Business Activities: Operates a chain of catalog showrooms throughout the state of Florida. The product mix includes jewelry, watches, silver, gift items, luggage and home electronic equipment.

Transfer Agent(s):

The Citizens and Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30308-5555

Stock Exchange(s): American

Ticker Symbol: LUR

Number of Stores: (at fiscal year end)

1990	52	1987	39
1989	48	1986	37
1988	43		

Sales & Earnings

	Net Sales	Net Income #
1990	$ 221,017,000	$ 3,854,000
1989	215,886,000	3,897,000
1988	205,196,000	6,328,000
1987	172,379,000	4,580,000
1986*	108,591,000	4,578,000

	No. of Com. Shares ‡	Earn. per Share #‡
1990	5,385,000	$ 0.72
1989	5,355,000	0.73
1988	5,469,000	1.16
1987	5,490,000	0.83
1986*	5,472,000	0.84

* 7 months.
# Including extraordinary gain of $806,000 ($0.15 per share) in 1990 and extraordinary loss of $1,444,000 ($0.27 per share) in 1989.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 75,262,000	$ 13.95
1989	71,309,000	13.24
1988	67,047,000	12.54
1987	61,994,000	11.29
1986	57,296,000	10.45

Income Account *

Year ended	2/3/90	1/28/89
Net sales	$ 221,017,000	$ 215,886,000
Cost of sales	153,938,000	150,479,000
Expenses	61,621,000	57,380,000
Interest expense	573,000	495,000
Income before taxes	$ 4,885,000	$ 7,532,000
Income taxes	1,837,000	2,548,000
Net Income	$ 3,048,000	$ 4,984,000
Extraord. items	806,000	(1,444,000)
Cum. effect of change in accounting meth.	—	357,000
Net Income & extraord. items	$ 3,854,000	$ 3,897,000

* Included in Costs and Expenses, Depreciation: $3,773,000 in 1990 and $3,434,000 in 1989.

Assets

As of	2/3/90	1/28/89
Cash & short-term invest.	$ 6,617,000	$ 11,479,000
Accts. receiv., net	1,224,000	3,759,000
•Inventories	86,229,000	71,078,000
Prepaid expenses	2,704,000	2,250,000
Current Assets	$ 96,774,000	$ 88,566,000
#Fixed assets	33,382,000	28,632,000
Other assets	1,315,000	1,494,000
Total Assets	$ 131,471,000	$ 118,692,000

Liabilities

Notes payable	$ 220,000	$ 54,000
Long-term debt, curr.	246,000	242,000
Accts. payable	43,255,000	35,895,000
Accruals	3,851,000	4,259,000
Taxes payable	2,191,000	744,000
Curr. Liabilities	$ 49,763,000	$ 41,194,000
Long-term debt	2,882,000	3,112,000
Deferred taxes	3,564,000	3,077,000
+Common stock	37,000	37,000
+Class B common stock	18,000	18,000
Add. paid-in capital	19,631,000	19,532,000
Retained earnings	57,428,000	53,574,000
Treasury stock	(1,852,000)	(1,852,000)
Total Liabilities & Shareholders' Equity	$ 131,471,000	$ 118,692,000

• At cost (LIFO) for diamonds and jewelry. All others at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $.01 par value.

Statistical Summary

%Income before Taxes to Sales	2.21	3.49
%Net Income to Sales	1.38	2.31
%Net Income to Equity	4.05	6.99
Sales to Inventories	2.56	3.04
Debt to Equity	0.04	0.05
Working Capital	$ 47,011,000	$ 47,372,000
Current Ratio	1.94	2.15
Shareholders' Equity	$ 75,262,000	$ 71,309,000

R. H. Macy & Co., Inc.

(A private corporation)

151 West 34th Street
New York, New York 10001
(212) 560-4249
FAX: (212) 643-1307

Officers: Edward S. Finkelstein, chairman of the board & chief executive officer; Myron E. Ullman, 111, exec. v.p.; Mark S. Handler, president & chief operating officer; A. David Brown, sr. v.p.-personnel & labor relations; Gertrude G. Michelson, sr. v.p.-external affairs; Arthur E. Reiner, chairman-Macy's Northeast, Inc.; Harold D. Kahn, chairman-Macy's South, Inc. & Bullock's, Inc.; Robert N. Friedman, vice chairman-merchandising of Macy's Northeast, Inc.; Theodore M. Ronick, chairman-R. H. Macy Corporate Buying Division; Rose Marie Bravo, chairman-Magnin, Inc.; Joseph Cicio, sr. v.p.-creative resources; Daniel B. Finkelstein, chairman-Macy's California, Inc.; Richard P. Crystal, sr. v.p.-specialty stores; Donald Eugene, sr. v.p.-control, data services & credit administration; Herbert M. Hellman, sr. v.p. & general counsel; Nat Kurtz, sr. v.p.-taxes; Ellin J. Saltzman, sr. v.p.-fashion director; Michael W. Stemen, sr. v.p.-store planning & construction.

Directors: Edward S. Finkelstein, chairman; Mark S. Handler, Robert N. Friedman, Harold D. Kahn, A. David Brown, Laurence A. Tisch, Sidney J. Weinberg, Jr., Henry A. Kissinger, A. Alfred Taubman, Paul W. Van Orden, Gertrude G. Michelson, Michael F. Price, Arthur E. Reiner, Theodore M. Ronick, Herbert Yalof.

Business Activities: Macy's department stores are organized into four regional store groups: Macy's Northeast, Inc., Macy's California, Inc., Macy's South, Inc./Bullock's, Inc., and I. Magnin, Inc./Bullock's-Wilshire, Inc. There are 149 owned or leased department stores located in 18 states.

Divisions and Subsidiaries:

Macy's Northeast
Operates 46 department stores in Connecticut, Delaware, Maryland, New Jersey, New York, Pennsylvania, and Virginia.

Macy's California
Operates 25 department stores located in California and Nevada.

Macy's South/Bullock's
Consists of the operations of Macy's South, Inc. and Bullock's, Inc. Macy's South operates 26 department stores in Alabama, Florida, Georgia, Louisiana, South Carolina and Texas. Bullock's consists of 22 department stores located in Arizona, California and Nevada.

I. Magnin-Bullock's Wilshire
Consists of the operations of I. Magnin, Inc. and the stores owned by Bullock's-Wilshire, Inc. The Bullocks Wilshire stores, which will operate under the I. Magnin name, consist of 7 department stores located in California. I. Magnin operates 23 department stores located in Arizona, California, Illinois, Maryland, and Washington.

Macy Specialty Stores, Inc.
Operates 61 specialty stores located in suburban shopping malls under the names "Aeropostale", "Charter Club", and "Fantasies by Morgan Taylor".

R. H. Macy Corporate Buying
151 West 34th Street
New York, New York 10001
Consists of foreign buying offices in 17 foreign cities and buying representatives in 4 other foreign countries.

R. H. Macy Properties
151 West 34th Street
New York, New York 10001

Macy Credit Corp.
151 West 34th Street
New York, New York 10001
(212) 279-9829

R. H. Macy Store Planning, Design and Construction
New York, New York

Sales & Earnings

	Net Sales	Net Income †
1989	$ 6,974,141,000	$ (53,651,000)
1988	5,729,095,000	(188,160,000)
1987	5,210,416,000	(13,820,000)
1986*	—	(11,429,000)

	No. of Com. Shares	Earn. per Share †
1989	1,750,000	$ —
1988	1,750,000	—
1987	1,750,000	—

(Loss)
* 8 months.
† Including extraordinary losses of $7,885,000 in 1989 and $53,994,000 in 1988.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (325,715,000)	$ —
1988	(247,379,000)	—
1987	(334,317,000)	—

(Deficiency)

Income Account *
(000's)

Year ended	7/29/89	7/30/88
Net sales	$ 6,974,141	$ 5,729,095
Cost of sales	4,695,874	3,898,062
Expenses	1,633,137	1,328,675
Interest expense	695,577	570,208
Unusual items	—	105,000
Other income	(3,373)	(6,068)
Loss bef. taxes	$ (47,074)	$ (166,782)
Income taxes (credit)	15,935	(32,616)
Net Loss	$ (63,009)	$ (134,166)
Extraord. loss	(7,885)	(53,994)
Cum. effect of acct. change	17,243	—
Net Loss & extraord. loss	$ (53,651)	$ (188,160)

* Included in Costs and Expenses, Depreciation and Amortization: $277,636,000 in 1989 and $221,383,000 in 1988.

Assets
(000's)

As of	7/29/89	7/30/88
Cash & cash equiv.	$ 47,117	$ 27,352
Cust. accts. receiv.	1,417,454	1,357,342
Other receivables	55,098	41,247
Inc. tax receiv.	—	56,813
*Inventories	1,646,788	1,292,015
Prepaid exp.	51,667	51,675
Prepaid inc. taxes	21,526	37,748
Current Assets	$ 3,239,650	$ 2,864,192
#Fixed assets	2,801,373	2,870,401
Other assets	519,644	572,774
Total Assets	$ 6,560,667	$ 6,307,367

Liabilities
(000's)

Short-term borrowings	$ 457,532	$ 547,439
Long-term debt, curr.	95,762	76,756
Cap. lease oblig., curr.	2,495	2,324
Accts. payable & accruals	1,011,513	968,691
Income taxes	58,073	46,781
Curr. Liabilities	$ 1,625,375	$ 1,641,991
Long-term debt	4,641,090	4,322,804
Cap. lease oblig.	20,247	22,742
Def. inc. taxes	117,719	144,485
Other liabilities	132,501	98,185
+Redeem. preferred stock	349,450	324,539
++Common stock	1,750	1,750
Accum. deficit	(326,512)	(249,403)
Treasury stock	(953)	(726)
Total Liabilities & Shareholders' Equity	$ 6,560,667	$ 6,307,367

* At lower of cost (LIFO & FIFO) or market using the retail inventory method.
# Less accumulated depreciation.
+ $1 par value; 8% cumulative.
++ $1 par value.

Statistical Summary

Sales to Inventories	4.23	4.43
Working Capital	$ 1,614,275,000	$ 1,222,201,000
Current Ratio	1.99	1.74
Shareholders' Equity (Deficiency)	$ (325,715,000)	$ (247,379,000)

Marks and Spencer p.l.c.

Michael House
37-67 Baker Street
London W1A 1DN, England
01-935 4422

Directors: The Lord Rayner, chairman & chief executive; R. Greenbury, chief operating officer & joint managing director; N. L. Colne, executive director; J. A. Lusher, executive director; J. K. Oates, executive director; S. J. Sacher, executive director; The Hon. David Sieff, executive director; C. V. Silver, executive director; A. K. P. Smith, executive director; D. G. Trangmar, executive director; D. V. Atterton, non-executive director; A.Z. Stone, executive director; R. A. E. Herbert, non-executive director; D. G. Lanigan, non-executive director; D. R. Susman, non-executive director; R.W.C. Colvill, The Baroness Young, A. S. Orton, alternate director; P.G. McCracken, exec. director; P.L. Salsbury.

Business Activities: Operates Marks and Spencer department stores in the United Kingdom, France, Belgium, Ireland, and Canada. Also operates Peoples department stores in Canada, D'Allaird's women's retail clothing stores in Canada, D'Allaird's store in the U.S., and a total of Brooks Brothers men's clothing stores in the U.S. and Japan.

Retail Subsidiaries:

Marks and Spencer Canada Inc.
3770 Nashua Drive
Mississauga, Ontario L4T 3R1 Canada
(416) 676-1910

Marks and Spencer Division
Peoples Division
D'Allaird's Division
D'Allaird's USA Division
Marks and Spencer (France) S.A.
Marks and Spencer (Ireland) Limited
SA Marks and Spencer (Belgium) NV

Brooks Brothers, Inc.
New York, New York
Operates 46 upscale men's clothing stores in the U.S., and 21 in Japan as part of a joint venture.

Registrars and Transfer Office:

Ravensbourne Registration Services Limited
Bourne House
34 Beckenham Road
Beckenham, Kent BR3 4TU, England

Stock Exchange(s): London

Number of Stores: (at fiscal year end)

1990	679
1989	665
1988	564
1987	547
1986	521

Sales & Earnings

	Net Sales	Net Income
1990	£5,608,100,000	£ 389,000,000
1989	5,121,500,000	342,900,000
1988*	4,577,600,000	323,300,000
1987	4,220,800,000	276,000,000
1986	3,734,800,000	222,400,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	2,686,319,239	14.5p
1989	2,667,387,290	12.9
1988*	N.A.	12.2
1987	2,650,061,104	10.4
1986	2,644,147,693	8.4

N.A. - Not Available.
£ - pound sterling
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	6.4p	—	—
1989	5.6	—	—
1988	5.1	—	—
1987	4.5	—	—
1986	3.9	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1990	£2,173,200,000	80.7p
1988	1,917,200,000	71.7
1988	2,156,600,000	81.1
1987	1,577,400,000	59.4
1986	1,461,500,000	54.9

† After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Mar. 31	1990	1989
Net sales	£ 5,608,100	£ 5,121,500
Cost of sales	3,768,500	3,458,500
Staff costs	656,600	600,300
Occupancy costs	176,200	145,200
Other costs	218,500	202,400
Repairs, renewals, maint.	47,700	48,200
Depreciation	109,400	104,900
Loss on sale of fixed assets	7,400	4,600
Other income	(3,900)	(6,300)
Interest expense	8,800	21,600
Profit sharing	14,700	13,100
Income before taxes	£ 604,200	£ 529,000
Income taxes	214,500	185,100
Minority interests	700	1000
Net Income	£ 389,000	£ 342,900

* Included in Costs and Expenses, Depreciation: £ 108,100,000 in 1990 and £ 103,400,000 in 1989.

Assets
(000's)

As of Mar. 31	1990	1989
Cash	£ 256,700	£ 88,200
Investments	19,600	13,900
Accts. receiv., net	256,700	192,600
*Inventories	374,300	364,400
Current Assets	£ 907,300	£ 659,100
#Fixed assets	2,465,500	2,283,900
Net assets of fin. activities	79,800	71,600
Total Assets	£ 3,452,600	£ 3,014,600

Liabilities
(000's)

	1990	1989
Debenture loan	£ 5,000	£ —
Bank loans & overdrafts	87,400	66,400
Accts. payable	179,200	153,200
Bills of exch. pay.	7,400	11,100
Accruals	146,900	118,100
Income taxes	231,400	194,700
Other taxes	25,700	27,200
Other payables	106,900	68,100
Proposed dividend	122,600	104,300
Curr. Liabilities	£ 912,500	£ 743,100
Long-term debt	355,200	343,700
Other liabilities	4,300	5,100
Minority interests	6,000	4,100
+Preferred stock:		
7.0% cumulative	400	400
4.9% cumulative	1,000	1,000
++Common stock	673,600	668,200
Add. paid-in capital	50,000	34,700
Revaluation reserve	458,000	456,500
Profit and loss acct	991,600	757,800
Total Liabilities & Shareholders' Equity	£ 3,452,600	£ 3,014,600

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value.
++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	10.77	10.33
%Net Income to Sales	6.94	6.70
%Net Income to Equity	17.89	17.87
Sales to Inventories	14.98	14.05
Debt to Equity	0.21	0.21
Shareholders' Equity	£2,174,600,000	£1,918,600,000

Marsh Supermarkets Inc.

P.O. Box 155
501 Depot Street
Yorktown, Indiana 47396-1599
(317) 759-8101
FAX: (317) 759-8018

Officers: William P. Givens, chairman of the board; Don E. Marsh, president & chief exec. officer; C. Alan Marsh, president & chief operating officer-Marsh Village Pantries, Inc.; William L. Marsh, v.p. & gen. mgr.-property mgmt.; Donald M. Rix, v.p.-new format development; Ronald R. Walicki, v.p. & gen. mgr.-supermarket division; P. Lawrence Butt, v.p., secretary & counsel; David M. Redden, v.p.-warehousing & transportation; John S. Hayford, v.p.-finance and treasurer; John W. Laboda, v.p.-Management Information Systems and Services; Theodore R. Varner, v.p. & gen. mgr.-Convenience Store Distributing Co.; Lennie D. Hayes, v.p.-real estate; Donald L. Plummer, v.p.-facilities engineering; Ronald P. Stolz, v.p.-administration; Lois A. Gross, asst. secretary; Frank J. Bryja, v.p.-merchandising; Lola M. Hale, asst. treasurer; Joan M. Hurley, asst. v.p.-market research.

Directors: William P. Givens, chairman; Don E. Marsh, C. Alan Marsh, Garnet Marsh, Charles R. Clark, Stephen M. Huse, James K. Risk, III, Jack E. Buckles, K. Clay Smith.

Areas of Work: Operates Marsh supermarkets, Marsh Xtra combination food and drug stores, and Village Pantry convenience stores, in Indiana and Ohio. Most of the Village Pantry stores also sell gasoline. A subsidiary, Convenience Store Distributing Company, distributes goods to the Company's convenience stores as well as to 1,400 other convenience stores in a six-state area..

Divisions:

Village Pantry
Supermarket Division
Drug Division

All at:
Yorktown, Indiana 47396
(317) 759-8101

Subsidiaries:

Mundy Realty, Inc.
Marsh Village Pantries, Inc.
Mar Properties, Inc.
Marlease, Inc.
American Guaranty Corporation
Maraines Greenery, Inc.
Marsh Drugs, Inc.
Ron Michael, Inc.
Marsh P. Q., Inc.
S. C. T., Inc.
North Marion Development Corporation
Convenience Store Distributing Company

Transfer Agent(s):

Merchants National Bank & Trust Company of Indianapolis
Indianapolis, Indiana

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MARS (NASDAQ)

Number of Stores: (at fiscal year end)

	Marsh Stores	Village Pantrys
1990	79	167
1989	76	167
1988	76	166
1987	74	170
1986	75	175

Sales & Earnings

	Net Sales	Net Income
1990	$ 992,306,000	$ 10,723,000
1989	894,919,000	8,518,000
1988	848,125,000	7,823,000
1987	772,241,000	6,695,000
1986	718,506,000	6,433,000

	No. of Com. Shares †	Earn. per Share ‡
1990	7,758,871	$ 1.38
1989	7,747,929	1.10
1988	7,746,561	1.02
1987	7,643,002	0.88
1986	7,506,255	0.77

† Adjusted to reflect stock splits.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1990	$ 0.34	—	—
1989	0.31	—	3-for-2
1988	0.29	—	—
1987	0.26	—	3-for-2
1986	0.23	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 71,532,000	$ 9.22
1989	63,134,000	8.15
1988	56,645,000	7.31
1987	50,637,000	6.63
1986	45,479,000	6.06

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	3/31/90	4/1/89
Net sales	$ 992,306,000	$ 894,919,000
Other income	9,236,000	6,988,000
Total income	$ 1,001,542,000	$ 901,907,000
Cost of sales	769,585,000	696,032,000
Expenses	208,432,000	186,822,000
Interest expense	7,678,000	6,725,000
Income before taxes	$ 15,847,000	$ 12,328,000
Income taxes	5,124,000	3,810,000
Net Income	$ 10,723,000	$ 8,518,000

* Included in Costs and Expenses. Depreciation and Amortization: $13,730,000 in 1990 and $11,749,000 in 1989.

Assets

As of	3/31/90	4/1/89
Cash & cash equiv.	$ 3,600,000	$ 5,955,000
Accts. & notes receiv., net	10,840,000	8,787,000
*Inventories	61,854,000	54,898,000
Prepaid expenses	4,752,000	4,403,000
Current Assets	$ 81,046,000	$ 74,043,000
#Fixed assets	125,404,000	105,181,000
Other assets	15,468,000	17,148,000
Cap. lease property	15,307,000	14,718,000
Total Assets	$ 237,225,000	$ 211,090,000

Liabilities

Long-term debt & cap. lease oblig, curr.	$ 6,214,000	$ 5,503,000
Accts. payable	26,446,000	27,527,000
Accrued payroll	9,782,000	8,860,000
Taxes	6,788,000	6,324,000
Accts. payable & accruals	6,987,000	5,817,000
Income taxes	1,876,000	1,842,000
Dividends payable	697,000	620,000
Curr. Liabilities	$ 58,790,000	$ 56,493,000
Long-term debt	70,953,000	57,727,000
Cap. lease oblig.	18,049,000	17,548,000
Deferred inc. taxes	14,251,000	14,198,000
Other defer. items	3,650,000	1,990,000
+Common stock	16,598,000	16,538,000
Retained earnings	62,990,000	55,074,000
Treasury stock	(6,508,000)	(6,552,000)
Deferred cost	(1,548,000)	(1,926,000)
Total Liabilities & Shareholders' Equity	$ 237,225,000	$ 211,090,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.60	1.38
%Net Income to Sales	1.08	0.95
%Net Income to Equity	14.99	13.49
Sales to Inventories	16.04	16.30
Debt to Equity	1.33	1.28
Working Capital	$ 22,256,000	$ 17,550,000
Current Ratio	1.38	1.31
Shareholders' Equity	$ 71,532,000	$ 63,134,000

The May Department Stores Company

611 Olive Street
St. Louis, Missouri 63101
(314) 342-6300
FAX: (314) 342-6584

Officers: David C. Farrell, chairman & chief executive officer; Thomas A. Hays, president; Richard L. Battram, vice chairman; Lawrence E. Honig, vice chairman; Louis J. Garr, Jr., exec. v.p. & gen. counsel; R. Dean Wolfe, exec. v.p.-real estate; Jerome T. Loeb, vice chairman & chief financial officer; John F. Danahy, sr. v.p.; Lonny J. Jay, sr. v.p.; Douglas J. Giles, sr. v.p.; J. Kent McHose, sr. v.p.; James F. Harner, sr. v.p.; Ken C. Hicks, sr. v.p.; Frank J. Williams, Jr., v.p.-public afairs & senior counsel; Jan R. Kniffen, v.p. & treasurer; Richard A. Brickson, senior counsel & secretary; James Abrams, v.p.-corporate communications; William M. Goddard, v.p.-risk management and insurance; James R. Bodemuller, v.p.-merchandise information systems; Frank D. Gunter, v.p.-taxes; Laurence M. Hellman, v.p.-merchandise research; Stephen J. Lourie, v.p.-executive development; Henry A. Wagner, v.p.-EDP Systems Development; Barry S. Silver, v.p.-audit; Joel G. Rebmann, v.p.-credit; Gene E. Bauer, v.p.-exeuctive recruiting; Mark J. Weikel, v.p.-planning & analysis; Stephen J. Hinderberger, v.p.-capital planning & analysis; Mark E. Hood, v.p.-corp. development; Richard V. Clausing, vd.

Directors: Richard R. Shinn, David C. Farrell, Edward E. Whitacre, Jr., Lawrence E. Honig, Helene L. Kaplan, Edward H. Meyer, Thomas A. Hays, Russell E. Palmer, William P. Stiritz, Murray L. Weidenbaum, Andrall E. Pearson, Jerome T. Loeb, Richard L. Battram, Robert D. Storey, Donald C. Platten.

Business Activities: Operates 288 department stores in 29 states and the District of Columbia; 73 Venture discount stores in the Midwest; 119 Caldor discount shoe stores in the Northeast; and 2,746 Volume Shoe stores in 44 states.

Divisions:

Lord & Taylor
New York, New York

Robinson's
Los Angeles, California

L.S. Ayres
Indianapolis, Indiana

Sibley's
Rochester, New York

May D&F
Denver, Colorado

Hecht's
Baltimore, Maryland, Washington, D.C.

May Company, Ohio
Cleveland, Ohio

G. Fox
Hartford, Connecticut

Kaufmann's
Pittsburgh, Pennsylvania

Meier & Frank
Portland, Oregon

Volume Shoe Corporation
Topeka, Kansas

Famous-Barr
St. Louis, Missouri

May Company, California
Los Angeles, California
San Diego, California

May Merchandising Corporation, New York
May Department Stores International, Inc.
The May Design and Construction Company, St. Louis

Foley's
1110 Main Street
Houston, Texas 77001
(713) 651-7038
Operates 34 department stores in Texas, Oklahoma, and New Mexico.

Filene's
426 Washington Street
Boston, Massachusetts 02101
(617) 357-2978
Operates 18 department stores in six northeastern states.

Transfer Agent(s):

Boatmen's Trust Company
P.O. Box 14768
St. Louis, Missouri 63178

Stock Exchange(s): New York, Pacific

Ticker Symbol: MA

Number of Stores: (at fiscal year end)

1989	3,034
1988	3,091
1987	2,960
1986	2,877
1985	2,074

Sales & Earnings

	Revenues ‡ (000's)	Net Income (000's)
1989	$ 9,602,000	$ 498,000
1988	8,874,000	534,000
1987	7,480,000	444,000
1986	7,437,000	381,000
1985	6,825,000	347,000

	No. of Com. Shares #	Earn. per Share #
1989	133,600,000	$ 3.63
1988	147,400,000	3.63
1987	153,200,000	2.90
1986	156,600,000	2.44
1985	155,600,000	2.20

‡ Of continuing operations only; includes rental revenues.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Department stores	$ 8,197,000	$ 7,271,000
Volume Shoe	1,228,000	1,132,000
Total	$ 9,425,000	$ 8,403,000

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 1.39	—	—
1988	1.25	—	—
1987	1.12	—	—
1986	1.02	—	2-for-1
1985	0.92	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per share ‡
1989	$ 2,319,000	$ 18.65
1988	3,050,000	21.50
1987	2,723,000	18.26
1986	2,595,000	17.01
1985	2,346,000 †	15.73

† After allowing for preferred stock at par value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/3/90	1/28/89
Revenues	$ 9,602,000	$ 8,874,000
Cost of revenues	6,581,000	6,098,000
Expenses	1,989,000	1,888,000
Interest expense	233,000	198,000
Income before taxes	$ 799,000	$ 690,000
Income taxes	284,000	242,000
Inc. - cont. oper	$ 515,000	$ 448,000
Inc. (loss) - discont. oper.	(17,000)	86,000
Net Income	$ 498,000	$ 534,000

* Included in Costs and Expenses, Depreciation and Amortization: $269,000,000 in 1989 and $266,000,000 in 1988.

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 92,000	$ 125,000
Accts. receiv., net	2,274,000	2,138,000
*Inventories	1,491,000	1,318,000
Other curr. assets	125,000	86,000
Net assets-discont. oper.	71,000	145,000
Current Assets	$ 4,053,000	$ 3,812,000
#Fixed assets	2,666,000	2,506,000
Goodwill	567,000	582,000
Other assets	277,000	235,000
Net assets-discont. oper	239,000	502,000
Total Assets	$ 7,802,000	$ 7,637,000

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 449,000	$ 158,000
Accts. payable	706,000	773,000
Accruals	694,000	695,000
Income taxes	145,000	92,000
Curr. Liabilities	$ 1,994,000	$ 1,718,000
Long-term debt	3,003,000	2,401,000
Def. inc. taxes	307,000	300,000
Def. invest. tax credit	22,000	31,000
Other liabilities	153,000	137,000
ESOP Preference stock	400,000	—
Unearned compensation	(396,000)	—
+Common stock	124,000	149,000
Add. paid-in capital	—	18,000
Retained earnings	2,195,000	2,883,000
Total Liabilites & Shareholders' Equity	$ 7,802,000	$ 7,637,000

* At lower of cost or market. Stated at LIFO cost for dept. stores and FIFO cost for Volume Shoe.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	21.47	17.51
Debt to Equity	1.49	0.84
Working Capital	$ 2,059,000,000	$ 2,094,000,000
Current Ratio	2.03	2.22
Shareholders' Equity	$ 2,319,000,000	$ 3,050,000,000

Mayfair Super Markets, Inc.

(The Company went private November, 1989.)

681 Newark Avenue
Elizabeth, New Jersey 07208
(201) 352-6400

Officers: Stanley P. Kaufelt, chairman of the board, president & chief executive officer; Frank Curci, v.p.-finance & chief financial officer; Charles M. Criscuolo, v.p.-store operations; Richard Cantolino, v.p.-engineering; Paul Cona, v.p.-loss prevention; Jacqueline Keller, v.p.-marketing & communications; Robert Behrens, v.p.-produce merchandising; H. Anthony Kluxen, III, v.p.-grocery merchandising; Harry Pappas, v.p.-meat merchandising; Florence Kaufelt, secretary.

Directors: Stanley P. Kaufelt, chairman of the board; Robert Kaufelt, Jonathan Kaufelt, Jacqueline Keller.

Business Activities: Operates a chain of 42 Foodtown supermarkets throughout New Jersey.

Number of Stores: (at fiscal year end)

1988	42	1985	32
1987	40	1984	31
1986	33		

Sales & Earnings

	Net Sales	Net Income
1988*	$ 573,767,000	$ 12,873,000
1987	488,101,000	9,795,000
1986	431,591,000	6,784,000
1985	360,783,179	4,090,842
1984	323,980,880	1,214,980

	No. of Com. Shares +	Earn. per Share ‡
1988*	7,837,977	$ 1.64
1987	7,819,644	1.25
1986	7,820,396	0.87
1985	7,791,862	0.53
1984	7,995,040	0.16

* 53 weeks.
+ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.
‡ Based on the weighted average number of Class A common shares outstanding adjusted to reflect recapitalization and stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ —	—	—
1987	0.01	—	2-for-1
1986	0.02	—	2-for-1
1985	0.02	—	3-for-2
1984	0.02	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 43,266,000	$ 5.52
1987	30,174,000	3.86
1986	20,441,000	2.61
1985	13,783,413	1.77
1984	9,635,539	1.21

‡ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.

Income Account

Year ended	9/3/88 (53 weeks)	8/29/87
Net sales	$ 573,767,000	$ 488,101,000
Cost of sales	428,667,000	366,264,000
Expenses	112,970,000	94,347,000
Depreciation & amortization	9,402,000	7,070,000
Other income	(1,561,000)	(1,685,000)
Interest expense	4,123,000	3,202,000
Income before taxes	$ 20,166,000	$ 18,903,000
Income taxes	8,153,000	9,108,000
Cum. effect of acct. change	(860,000)	—
Net Income	$ 12,873,000	$ 9,795,000

Assets

As of	9/3/88	8/29/87
Cash & cash equiv.	$ 5,904,000	$ 5,196,000
Short-term invest.	5,022,000	4,280,000
Accts & notes receiv., net	2,959,000	2,714,000
*Inventories	19,879,000	13,245,000
Prepaid expenses	4,038,000	1,254,000
Current Assets	$ 37,802,000	$ 26,689,000
Investments	3,536,000	2,848,000
#Fixed assets	99,554,000	65,505,000
Other assets	4,922,000	2,060,000
Total Assets	$ 145,814,000	$ 97,102,000

Liabilities

Long-term debt, curr.	$ 838,000	$ 1,854,000
Cap. lease oblig., curr.	1,142,000	1,133,000
Accts. payable	20,417,000	15,187,000
Acct. pay. - rel. parties	8,310,000	6,175,000
Accruals	7,234,000	6,945,000
Def. inc. taxes	1,227,000	1,201,000
Curr. Liabilities	$ 39,168,000	$ 32,495,000
Long-term debt	35,933,000	9,763,000
Cap. lease oblig.	24,295,000	22,210,000
Deferred income taxes	3,152,000	2,460,000
+Class A Common Stock	63,000	63,000
+Class B Common stock	15,000	15,000
Add. paid-in capital	926,000	707,000
Retained earnings	42,262,000	29,389,000
Total Liabilities & Shareholders' Equity	$ 145,814,000	$ 97,102,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.51	3.87
%Net Income to Sales	2.24	2.01
%Net Income to Equity	29.75	32.46
Sales to Inventories	28.86	36.85
Debt to Equity	1.44	0.74
Shareholders' Equity	$ 43,266,000	$ 30,174,000

J.W. Mays, Inc.

510 Fulton Street
Brooklyn, New York 11201
(212) 624-7400
FAX: (212) 935-0378

NOTE: Subsequent to the Company's fiscal year-end, it discontinued and disposed of the retail department store segment of its operations.

Officers: Max L. Shulman, chairman of the board & chief executive officer; Lloyd J. Shulman, president & chief operating officer; Alex Slobodin, exec. v.p. & treasurer; Melvin M. Kazdin, v.p.; Ward Lyke, Jr., v.p.-management information services; Salvatore Cappuzzo, secretary; Mark Greenblatt, controller & asst. treasurer.

Directors: Lloyd J. Shulman*, Frank J. Angell*, Max L. Shulman*, Sylvia W. Shulman, Alex Slobodin*, Melvin Kazdin, Lewis D. Siegel, Jack Schwartz.

* Member of the Executive Committee

Business Activities: Operates department stores which sell ready-to-wear clothing for the entire family, hardgoods, domestics, jewelry and furniture. The Company also operates a number of commercial real estate properties in Brooklyn and Jamaica in New York City, and Long Island and Dutchess County, New York.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MAYS (NASDAQ)

Sales & Earnings

	Revenues	Net Income †
1989	$ 26,705,000	$ 11,964,000
1988	4,580,000	(1,800,726)
1987	7,685,000	1,862,986
1986	3,262,000	(1,078,535)
1985	1,703,000	(2,563,347)

	No. of Com. Shares	Earn. per Share † ‡
1989	2,178,297	$ 5.49
1988	2,178,297	—
1987	2,178,297	0.86
1986	2,178,297	—
1985	2,178,297	—

(Loss)

† Including extraordinary gains of $4,465,000 ($2.04 per share) in 1989 and $459,000 ($0.21 per share) in 1987.

‡ Based on the weighted average number of shares of common stock and common stock equivalents.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 24,946,248	$ 11.45
1988	12,982,451	5.96
1987	14,783,177	6.79
1986	12,920,191	5.93
1985	13,998,726	6.43

Income Account

Year end July 31	1989	1988
Rental income	$ 4,965,334	$ 4,087,849
Gain on sale of fixed assets	21,739,991	492,284
Total income	$ 26,705,325	$ 4,580,133
Real estate oper. expenses	3,384,308	1,593,565
Expenses	1,540,961	113,921
Depreciation & amortization	421,963	288,279
Interest income	(550,861)	—
Interest expense	275,677	222,815
Income before taxes	$ 21,633,277	$ 2,361,553
Income taxes	9,226,000	1,027,000
Inc.-cont. oper.	$ 12,407,277	$ 1,334,553
Loss-discont. oper.	(4,908,480)	(3,135,279)
Net Income (Loss)	$ 7,498,797	$ (1,800,726)
Extraord. gain	4,465,000	—
Net Income (Loss) & extraord. gain	$ 11,963,797	$ (1,800,726)

Assets

As of July 31	1989	1988
Cash & cash equiv.	$ 12,139,353	$ 1,869,351
Condemnation award receiv.	2,020,000	—
Accts. receiv., net	1,116,737	658,192
*Inventories	—	7,382,768
Prepaid inc. taxes	17,929	10,614
Real estate taxes refund.	107,717	—
Prepaid expenses	1,004,920	1,568,063
Current Assets	$ 16,406,656	$ 11,488,988
#Fixed assets	12,334,522	19,174,541
Defer. charges & other assets	1,546,419	1,307,551
Total Assets	$ 30,287,597	$ 31,971,080

Liabilities

Loan payable	$ —	$ 3,000,000
Long-term debt, curr.	1,064,805	877,041
Cap. lease oblig., curr.	4,780	61,359
Accts. payable	150,056	8,115,608
Customers' deposits	—	96,006
Accrued payroll	1,004,344	1,100,642
Inc. taxes payable	252,890	110,267
Misc. taxes	2,802	545,404
Curr. Liabilities	$ 2,479,677	$ 13,906,327
Long-term debt	2,642,262	4,858,112
Cap. lease oblig.	219,410	224,190
+Common stock	2,178,297	2,178,297
Add. paid-in capital	3,346,245	3,346,245
Retained earnings	19,421,706	7,457,909
Total Liabilities & Shareholders' Equity	$ 30,287,597	$ 31,971,080

* At lower of cost or market.

# Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

%Net Income to Equity	0.48	—
Debt to Equity	0.16	0.69
Working Capital	$ 13,926,979	—
Current Ratio	6.62	—
Shareholders' Equity	$ 24,946,248	$ 12,982,451

MCA INC.

100 Universal City Plaza
Universal City, California 91608
(818) 777-1000

445 Park Avenue
New York, New York 10022
(212) 759-7500

Officers: Lew R. Wasserman, chairman of the board & chief executive officer; Sidney Jay Sheinberg, president & chief operating officer; Thomas Wertheimer, exec. v.p.; Irving Azoff, v.p. & chairman-Music Entertainment Group; Richard E. Baker, v.p. & controller; James N. Fiedler, v.p. & president-Discovision Associates; Lawrence P. Fraiberg, v.p. & president-MCA Broadcasting Group; Phyllis E. Grann, v.p. & president-The Putnam Publishing Group; Harold M. Haas, v.p., treasurer & chief financial officer; Robert D. Hadl, v.p. & general counsel; Stuart K. Mandel, v.p.-industrial relations; Stanley Newman v.p. & president-Consumer Products Group; Charles S. Paul, v.p. & president-MCA Enterprises; Thomas Pollock, v.p. & chairman-Motion Picture Group; Alvin Rush, v.p. & chairman-MCA Television Group; Michael Samuel, v.p. & secretary; Daniel E. Slusser, v.p., & sr. v.p. and gen. mgr.-Universal Studios, George Smith, v.p. & general tax counsel; Lawrence D. Spungin, v.p. & president-MCA Development; Jay S. Stein, v.p. & president-MCA Recreation Services Group; Alvin N. Teller, v.p. & president-MCA Records; Pamela F. Cherney, asst. treasurer; Dennis F. Dallara, asst. controller; Christine R. Hanson, asst. secretary; Richard C. Schiller, asst. secretary.

Directors: Lew R. Wasserman*, chairman; Sidney Jay Sheinberg*, Howard P. Allen, Mary Gardiner Jones, Thomas V. Jones, Felix G. Rohatyn, Robert S. Strauss, Thomas Wertheimer*.

* Member of the Executive Committee

Business Activities: Engaged in production and distribution of theatrical, nontheatrical, television and home video products; operation of a tour of the company's motion picture studio; merchandising and publishing of film properties; manufacture and distribution of recorded music, music publishing, retail and mail order gift merchandising, development and marketing of toy production, television broadcasting, recreation services, and book publishing; Spencer Gifts a retail and mail order subsidiary headquartered in Atlantic City, New Jersey, operates Spencer Gifts retail gift stores, Intrigue jewelry stores and kiosks and A2Z-The Best of Everything Stores, located throughout the United States. Spencer Gifts sells a wide variety of specialty merchandise purchased from both domestic and foreign manufacturers, including notions, novelties, housewares, stationery, home decorations, cosmetics, jewelry, plus a variety of other products for home, office, personal use and gifts.

Divisions and Subsidiaries:

Universal City Studios Inc.
MCA Corporate Films
MCA Records, Inc.
Miller International Schallplatten G.m.b.H
Spencer Gifts, Inc.
Nebo Versand G.m.b.H.
Yosemite Park and Curry Co.
The Putnam Publishing Group, Inc.
Jove Publications, Inc.
Coward-McCann, Inc.
Cinema International Corporation N.V. (49% owned)
MCA New Ventures,Inc.
MCA Distributing Corporation
Berkley Publishing Corporation
Duchess Music Corporation
Leeds Music Corporation
MCA Music Limited
Charter Communications, Inc.
Grosset & Dunlap, Inc.
MCA Home Video, Inc.
MCA Cable Services, Inc.
MCA Artists (England) Limited
MCA Canada Ltd.
MCA Videodisc, Inc.
MCA Filmes Do Brasil Ltda.
MCA International B.V.
MCA Television Limited
Merchandising Corporation of America, Inc.
Richard Marek, Publishers, Inc.
Universal City Property Management Company
Universal Film Exchanges, Inc.
Universal International Films, Inc.
Universal Pay Television, Inc.
Universal City Consultants, Ltd.
Walter Lantz Productions
Yosemite Park and Curry Company
LJN Toys, Ltd.
Winterland Concessions Company

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
14th Floor
New York, New York 10081

Stock Exchange(s): New York, Pacific

Ticker Symbol: MCA

Number of Stores: (at fiscal year end)

1988*	430	1985	497
1987	N.A.	1984	454
1986	542		

N.A. - Not Available.
*Spencer Gift stores only.

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1988	$ 3,023,672	$ 164,916
1987	2,589,623	137,254
1986	2,438,394	150,904
1985	2,098,525	149,959
1984	1,651,242	94,937

	No. of Com. Shares ‡	Earn. per Share ‡
1988	72,982,254	$ 2.26
1987	75,473,188	1.82
1986	76,718,875	1.97
1985	74,122,508	2.02
1984	72,821,877	1.30

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1988	1987
Film entertaiment	$ 1,496,966	$ 1,330,288
Records & music	661,028	477,493
Retail & mail order	312,846	319,950
Book publishing	175,934	158,964
Toy products	123,333	110,518
Broadcasting & cable	131,520	88,264
Other operations	122,045	104,146
Total	$ 3,023,672	$ 2,589,623

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1988	$ 0.68	—	—
1987	0.68	—	—
1986	0.68	—	—
1985	0.61	—	3-for-2
1984	0.59	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 1,691,732,000	$ 23.17
1987	1,557,630,000	21.42
1986	1,578,094,000	20.83
1985	1,400,761,000	18.69
1984	1,221,935,000	16.74

Income Account *

Year ended Dec. 31	1988	1987
Revenues	$ 3,023,672	$ 2,589,623
Cost of sales & expenses	2,686,058	2,361,267
Corp., general & adm.	20,041	16,057
Interest expense (income)	4,092	(21,991)
Interest expense	74,565	43,436
Income bef. taxes	$ 238,916	$ 190,854
Income taxes	74,000	53,600
Net Income	$ 164,916	$ 137,254

* Included in Costs and Expenses, Depreciation and Amortization: $48,680,000 in 1988 and $43,913,000 in 1987.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	$ 190,186	$ 103,181
Receiv., net	955,361	663,918
Film costs	483,551	379,099
*Inventories	207,683	209,112
Prepaid expenses	117,606	134,314
Current Assets	$ 1,954,387	$ 1,489,624
#Fixed assets	449,619	385,248
Other assets	1,711,042	1,679,120
Total Assets	$ 4,115,048	$ 3,553,992

Liabilities
(000's)

Notes payable	$ 25,000	$ —
Accts. payable & accruals	424,718	327,711
Accrued payroll	337,852	302,262
Def. film revenues	77,569	39,229
Income taxes	19,747	28,024
Curr. Liabilities	$ 884,886	$ 697,226
Long-term debt	1,236,547	1,008,285
Accrued comp.	106,801	107,632
Other liabilities	104,082	77,219
Deferred taxes	91,000	106,000
+Common stock	472,992	459,171
Retained earnings	1,454,010	1,338,720
Treasury stock	(235,270)	(240,261)
Total Liabilities & Shareholders' Equity	$ 4,115,048	$ 3,553,992

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.90	7.37
%Net Income to Revenues	5.45	5.30
%Net Income to Equity	9.75	8.81
Debt to Equity	0.75	0.65
Working Capital	$ 1,069,501,000	$ 792,398,000
Current Ratio	2.21	2.14
Shareholders' Equity	$ 1,691,732,000	$ 1,557,630,000

McCrory Parent Corp.

(formerly Rapid-American Corporation)

725 Fifth Avenue
New York, New York 10022
(212) 735-9500
FAX: (212) 735-9515

NOTE: The Company is a privately-held corporation owned by E-II Holdings Inc., which is an indirect subsidiary of Riklis Family Corporation (RFC). In excess of 99% of the voting power of RFC is held by World Wide Financial Partnership, L.P., whose general partner is Meshulam Riklis, chairman of the board, president and chief executive officer of MPC, E-II and RFC.

Officers: Meshulam Riklis, chairman of the board, president & chief executive officer; Harold S. Divine, vice chairman of the board; Andrew Gregor, sr. v.p.-finance & treasurer; Ira D. Riklis, v.p.; Daniel J. Manella, exec. v.p.; Marcia Riklis, exec. v.p.; Paul Weiner, sr. v.p.; Michael J. Magenheim, controller & asst. treasurer; James Pollak, secretary.

Directors: Meshulam Riklis*, chairman; Simona Riklis Ackerman*, Harold S. Divine, Arie Genger, Ira Riklis*, Marcia Riklis*, Abraham G. Levin, Leonard C. Lane, Daniel J. Manella.

* Member of the Executive Committee

Business Activities: The Company is engaged through its subsidiary, McCrory Corporation, in retail merchandising. McCrory currently operates 1,063 variety stores in 39 states and the District of Columbia under the "McCrory," "McLellan," "H.L. Green," "J. J. Newberry," "T.G. & Y.," "S.H. Kress," & "G.C. Murphy". The Company's Gault Brothers subsidiary distributes general merchandise to retail establishments in Canada.

Subsidiaries:

McCrory Corporation
Gault Brothers
J. J. Newberry Co.
T. G. & Y. Stores Co.

OLT-I Corp.

Mack Realty Company

Rapid Distribution Services, Inc.

Stock Exchange(s): * New York, Cincinnati, Pacific * Company's debentures are publicly traded on these exchanges.

Number of Stores: (at fiscal year end)

1990	1,063	1987	1,226
1989	1,240	1986	1,438
1988	1,258		

NOTE: The financial statements of the predecessor entity, Rapid-American, have been included for periods prior to June 20, 1989, and have been restated to reflect the terms of the transaction.

Sales & Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1990	$ 1,382,278	$ (232,289)
1989	1,400,248	(168,000)
1988	1,489,415	(121,700)
1987	1,893,500	(11,400)
1986	994,726	86,000

	No. of Com. Shares	Earn. per Share ‡ #
1990	100	$ —
1989	100	—
1988	1,461,364	—
1987	1,461,364	—
1986	1,461,364	44.24

(Loss)
+ Of continuing operations only; includes lease department sales.
‡ Including extraordinary loss of $4,003,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1990	1989
Retail merch.:		
McCrory Stores	$ 1,372,000	$ 1,391,000
Gault	10,000	9,000
Total	$ 1,382,000	$ 1,400,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	1.57	—	—

Common Stock Equity

	Total Equity	Equity er Share
1990	$ (390,392,000)	$ —
1989	(157,330,000)	—
1988	1,409,000	0.96

(Deficiency)

Income Account
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 1,382,278	$ 1,400,248
Eq. in loss of McGregor Hold.	—	(107,325)
Other income (expense)	14,076	34,849
Total income	$ 1,396,354	$ 1,327,772
Cost of sales	968,461	878,530
Expenses	420,551	429,595
Depreciation & amortization	33,960	40,282
Interest expense	129,010	137,054
Loss bef. taxes	$ (155,628)	$ (157,689)
Income taxes	288	3,923
Loss - cont. oper.	$ (155,916)	$ (161,612)
Loss - discont. oper.	(76,373)	—
Cum. effect of accntng. change	—	(6,431)
Net Loss	$ (232,289)	$ (168,043)

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 21,757	$ 21,264
Accts. receiv., net	24,954	42,281
Note receiv.-McGregor Corp.	19,918	—
Net assets of GC Murphy receiv. from E-II Holdings	26,257	—
*Inventories	307,921	445,598
Prepaid expenses	24,926	24,746
Current Assets	$ 425,733	$ 533,889
Invest. & dividends receiv.	13,585	17,970
#Fixed assets	217,624	267,029
Other assets	374,685	475,692
Total Assets	$ 1,031,627	$ 1,294,580

Liabilities
(000's)

	1990	1989
Short-term debt	$ 82,994	$ 89,944
Long-term debt, curr.	22,587	24,708
Cap. lease oblig., curr.	3,953	5,489
Accts. payable	100,664	165,461
Accruals	115,596	152,648
Reserves for store clos.	5,773	26,770
Due to E-II Holdings	6,051	2,203
Income taxes	5,406	5,327
Curr. Liabilities	$ 343,024	$ 472,550
Due to E-II Holdings	28,753	—
Due to SCH Holding	—	9,000
Long-term debt	709,010	807,576
Cap. lease oblig.	20,805	39,722
Minority interest	215,210	14,784
Deferred inc. taxes	35,897	53,094
Other liabilities	69,320	55,184
Add. paid-in capital	102,830	102,846
Retained earnings (deficit)	(493,222)	(260,176)
Total Liabilities & Shareholders' Equity	$ 1,031,627	$ 1,294,580

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
Sales to Inventories	4.49	3.14
Working Capital	$ 82,709,000	$ 61,339,000
Current Ratio	1.24	1.13
Shareholders' Equity (Deficiency)	$ (390,392,000)	$ (157,330,000)

Medicine Shoppe International, Inc.

1100 North Lindbergh
St. Louis, Missouri 63132
(314) 993-6000
FAX: (314) 969-9780

Officers: Mitchell Yanow, chairman of the board; David A. Abrahamson, president & chief exec. officer; Ronald T. Hofmeister, exec. v.p.; James F. Atkinson, v.p.-marketing & strategic planning; Jerry R. Darnell, v.p.-franchise sales; Myron M. Eicher, v.p.-franchise development; Gary M. Levine, v.p.-managed health care; L. Michael Rice, v.p.-real estate.

Directors: Mitchell Yanow, chairman; Melvin F. Brown, Ira C. Gall, Donald P. Gallop, Aron Katzman, Leslie F. Loewe, Jerome F. Sheldon.

Areas of Work: Operates 805 franchised drugstores under the name "Medicine Shoppe" in the contiguous 48 states.

Transfer Agent(s):

Boatmen's Trust Company
510 Locust Street
St. Louis, Missouri 63102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSII (NASDAQ)

Number of Stores:*

1989	805	1986	641
1988	737	1985	565
1987	698		

*All stores are franchised.

Sales & Earnings

	Revenues	Net Income
1989	$ 28,602,000	$ 7,376,000
1988	23,726,000	5,957,000
1987	19,825,000	4,407,000
1986	16,981,000	3,565,000
1985	13,886,000	2,956,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	8,085,716	$ 0.91
1988	8,035,524	0.74
1987	8,002,008	0.55
1986	7,980,294	0.45
1985	7,964,068	0.37

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.067	—	3-for-2
1988	0.033	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 39,563,000	$ 4.52
1988	32,378,000	4.03
1987	26,186,000	3.27
1986	21,663,000	2.71
1985	17,959,000	2.26

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1989	1988
Revenues:		
Sales to franchises	$ 7,228,199	$ 5,903,218
Franchise fees	17,978,082	15,233,672
Origination fees	1,323,334	1,024,450
Other income	2,072,589	1,564,529
Total income	$ 28,602,204	$ 23,725,869
Cost of sales	6,116,453	5,106,170
Expenses	12,574,019	10,331,897
Interest income	(943,811)	(635,734)
Income before taxes	$ 10,855,543	$ 8,923,536
Income taxes	3,480,000	2,967,000
Net Income	$ 7,375,543	$ 5,956,536

* Included in Costs and Expenses, Depreciation and Amortization: $409,844 in 1989 and $305,520 in 1988.

Assets

As of Sept. 30	1989	1988
Cash & cash equiv.	1,136,285	$ 885,121
Short-term invest.	16,797,808	13,323,860
Invest. inc. receiv.	291,210	175,825
Accts. receiv., net	5,591,201	4,463,282
Finance notes & accrued int. receiv.	2,245,750	2,201,125
Other curr. assets	1,051,147	1,008,727
Current Assets	$ 27,113,401	$ 22,057,940
#Fixed assets	1,992,437	2,094,393
Other assets	14,509,133	11,619,752
Total Assets	$ 43,614,971	$ 35,772,085

Liabilities

	1989	1988
Accts. payable	$ 1,565,799	$ 1,101,126
Accrued bonuses	458,239	287,000
Accrued Gold prog. exp.	494,271	499,607
Accrued inc. taxes	560,738	318,006
Accrued profit-sharing	62,924	45,045
Other accruals	80,779	95,783
Curr. Liabilities	$ 3,222,750	$ 2,346,567
Deposits	34,161	43,185
Deferred inc. taxes	—	41,000
Deferred orig. fee inc.	794,700	963,194
+Common stock	81,072	53,822
Add. paid-in capital	12,446,238	12,124,999
Retained earnings	27,036,050	20,199,318
Total Liabilities & Shareholders' Equity	$ 43,614,971	$ 35,772,085

# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Revenues	37.95	37.61
%Net Income to Revenues	25.79	25.11
%Net Income to Equity	18.64	18.40
Working Capital	$ 23,890,651	$ 19,711,373
Current Ratio	8.41	9.40
Shareholders' Equity	$ 39,563,360	$ 32,378,139

Melville Corporation

One Theall Road
Rye, New York 10580
(914) 925-4000
FAX: (914) 925-4026

Officers: Stanley P. Goldstein, chairman of the board, president & chief executive officer; Robert D. Huth, exec. v.p. & chief financial officer; Jerald S. Politzer, group v.p.; Michael Friedheim, executive v.p.; Larry A. McVey, v.p.; Norman Axelrod, v.p.; Harvey Rosenthal, v.p.; John I. Mitchell, Jr., Daniel B. Katz, v.p.; Shahid Quraeshi, v.p. & controller; Francis H. Arnone, v.p.; John M. Robinson, v.p.; Stewart H. Brown, Jr., v.p.; Frederick A. Postelle, v.p.; Richard C. Ricalde, v.p.; Joel N. Waller, v.p.; William C. Kingsford, v.p.; Arthur V. Richards, secretary & gen. attorney; Kenneth A. DellaRocco, asst. secretary & asst. general attorney; Raymond R. Moore, asst. secretary; James E. Alward, asst treasurer; Roger E. Haggerty, asst. treasurer; Philip C. Galbo, asst. treasurer.

Directors: Stanley P. Goldstein*, chairman; Francis C. Rooney, Jr*, John G. Creedon, Allan J. Bloostein, M. Cabell Woodward, Jr.*, Frank Melville, Hyman L. Battle, Jr., Donald F. McCullough, James W. McKee, Jr., Michael A. Friedheim, Michael H. Jordan*, Theodore Levitt, Robert D. Huth, Patricia Carry Stewart.

* Member of the Executive Committee

Business Activities: Operates shoe stores under the names of Thom McAn and Fan Club; leased self-service shoe departments (Meldisco) with units located primarily in K-Mart stores; Marshalls, a retail chain that sells brand name apparel for men, women and children; Chess King, a men's apparel specialty merchandising chain concentrating on the 14-to-22 year old market; Wilsons, a retailer of leather apparel for men and women under the names "Wilsons," "Bermans" and "Tannery West"; and Accessory Lady, a retailer of women's fashion accessories. Operates drug, health and beauty aid specialty stores under the names Consumer Value Stores (CVS) and Freddy's. Operates Kay-Bee Toy and Hobby shops. Operates home furnishings stores through Linens 'n Things, which retails brand name linens and towels; This End up Furniture Company, which retails popular priced casual furniture; and Prints Plus, which retails prints and posters.

Divisions and Subsidiaries:

Thom McAn Shoe Company

Melville Realty Company, Inc.
One Theall Road
Rye, New York 10528

Meldisco
933 Macarthur Boulevard
Mahwah, New Jersey 07430

Kay-Bee Toy & Hobby Shops, Inc.
100 West Street
Pittsfield, Massachusetts 01201

Fan Club
125 Hartwell Street
West Boylston, Massachusetts 01583

Consumer Value Stores
One CVS Drive
Woonsocket, Rhode Island 02895

Marshalls, Inc.
200 Brickstone Square
P.O. Box 9030
Andover, Massachusetts 01810

Chess King
350 Fifth Avenue
New York, New York 10118

Melville (Europe) Purchasing Ltd.
Via Tevere 80/4
Sesto-50019, Italy

Wilsons
7401 Boone Avenue N.
Brooklyn Park, Minnesota 55428

Linens 'n Things, Inc.
6 Brighton Road
Clifton, New Jersey 07015

FNS Sales, Inc. (Freddy's)
90 Commerce Drive
Rochester, New York 14623

This End Up Furniture Company
1309 Exchange Alley
Richmond, Virginia 23219

Prints Plus, Inc.
2500 Bisso Lane
Building 200
Concord, California 94520

Accessory Lady, Inc.
11252 Leo Lane
P.O. Box 299008
Dallas, Texas 75229

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: MES

Number of Stores: (at fiscal year end)

	Leased shoe dept's.	Apparel
1989	2,456	1,551
1988	2,152	1,414
1987	2,112	1,106
1986	2,094	973
1985	2,062	911

	Shoe stores	Health & beauty
1989	940	859
1988	1,047	770
1987	1,097	712
1986	1,129	640
1985	1,150	599

	Toy & hobby	Household furnishings
1989	827	484
1988	727	430
1987	676	414
1986	639	358
1985	584	268

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 7,553,971	$ 398,076
1988	6,780,359	354,510
1987	5,930,283	285,384
1986	5,262,364	238,332
1985	4,774,860	210,812

	No. of Com. Shares #	Earn. per Share ‡
1989	102,678,648	$ 3.56
1988	109,011,268	3.26
1987	108,734,562	2.63
1986	108,465,988	2.20
1985	108,099,990	1.95

+ Of continuing operations only.
# Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989 (000's)	%	1988 (000's)	%
Apparel	$2,713,371	35.9%	$2,253,484	33.2%
Drug, health & beauty aids	2,110,896	27.9	1,817,916	26.8
Footwear	1,697,614	22.5	1,632,346	24.1
Toys & household furn.	1,032,090	13.7	1,076,613	15.9
Total	$7,553,971	100.0%	$6,780,359	100.0%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 1.30	—	—
1988	1.05	—	2-for-1
1987	0.88	—	—
1986	0.78	—	—
1985	0.72	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 1,609,785,000 #	$ 15.76
1988	1,706,263,000	15.65
1987	1,458,586,713	13.41
1986	1,263,004,318	11.64
1985	1,102,204,881	10.20

# After allowing for ESOP preferred stock at liquidation value and deducting the guaranteed ESOP obligation.
‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 7,553,971	$ 6,780,359
Cost of sales	4,564,070	4,085,618
Expenses	2,231,194	2,023,034
Depreciation & Amortization	97,824	82,228
Interest expense (income)	3,734	(916)
Other expenses	8,445	4,790
Income before taxes	$ 648,704	$ 585,605
Income taxes	207,998	187,961
Minority interest	42,630	43,134
Net Income	$ 398,076	$ 354,510

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 368,805	$ 298,352
Accts. receiv., net	126,436	111,102
*Inventories	1,288,370	1,200,923
Prepaid expenses	90,919	82,766
Current Assets	$ 1,874,530	$ 1,693,143
Prop. leased under cap. leases	28,229	31,871
#Fixed assets	766,560	661,039
Defer. charges & other assets	62,340	43,336
Intangibles	300,108	306,763
Total Assets	$ 3,031,767	$ 2,736,152

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 3,633	$ 7,403
Cap. lease oblig., curr.	3,827	3,471
Accts. payable	403,394	413,025
Accruals	358,562	319,484
Income taxes	85,924	80,215
Curr. Liabilities	$ 855,340	$ 823,598

Long-term debt	350,221	4,864
Cap. lease oblig.	39,583	43,600
Minority interest	101,261	96,719
Deferred inc. taxes	65,350	59,381
+Redeem. pref. stock	1,727	1,727
++Preferred stock-ESOP	357,500	—
Guaranteed ESOP obligation	(349,000)	—
+++Common stock	109,972	109,011
Add. paid-in capital	17,211	—
Retained earnings	1,840,094	1,597,252
Treasury stock	(357,492)	—
Total Liabilities & Shareholders' Equity	$ 3,031,767	$ 2,736,152

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; $4.00 cumulative.
++ $1 par value; ESOP $3.90 convertible.
+++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.59	8.64
%Net Income to Sales	5.27	5.23
%Net Income to Equity	24.60	20.78
Sales to Inventories	5.86	5.65
Debt to Equity	0.25	0.03
Working Capital	$ 1,019,190,000	$ 869,545,000
Current Ratio	2.19	2.06
Shareholders' Equity	$ 1,618,285,000	$ 1,706,263,000

Mercantile Stores Company, Inc.

1100 North Market Street
Wilmington, Delaware 19801
(302) 575-1816

Officers: David R. Huhn, chairman of the board & chief executive officer; James C. Lovell, vice chairman of the board; Roger D. Ciskie, president & chief operating officer; Harold W. Jockers, chairman of the exec. committee; David R. Huhn, exec. v.p.; David L. Nichols, v.p., treasurer & chief financial officer; LeRoy J. Sheldon, v.p.; Michael G. Shannon, v.p.; William A. Carr, controller; Dennis F. Murphy, secretary; Laurence P. Fox, assistant controller; James M. McVicker.

Directors: John A. Herdeg, Harold W. Jockers*, James C. Lovell*, Gerrish H. Milliken*, Minot K. Milliken*, Roger Milliken*, George S. Moore, Thomas J. Malone, Rene C. McPherson, Francis G. Rodgers, H. Keith Brodie, David R. Huhn.

* Member of the Executive Committee

Business Activities: Operates 78 department stores and two specialty stores all of which are located in the continental United States. The stores are operated under 12 different chain names which are familiar to their clientele within the regions in which the stores are located. In addition, the company operates 14 free standing beauty salons.

Divisions:

Bacons
Louisville, Kentucky

Castner Knott Co.
Nashville, Tennessee

de Lendrecie's
Fargo, North Dakota

Gayfers
Mobile, Alabama

Glass Block
Duluth, Minnesota

Hennessy's
Billings, Montana

The Jones Store Co.
Kansas City, Missouri

Joslins
Denver, Colorado

Lion
Toledo, Ohio

McAlpin's
Cincinnati, Ohio
Lexington, Kentucky

Root's
Terre Haute, Indiana

J. B. White
Augusta, Georgia
Columbia, South Carolina

Subsidiaries:

Mercantile Stores Company, Inc. (N.Y.)
128 West 31st Street
New York, New York 10001
Central buying and administrative offices.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: MST

Number of Stores: (at fiscal year end)

1990	80	1987	82
1989	80	1986	80
1988	79		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1990	$ 2,312,802	$ 130,343
1989	2,265,500	144,462
1988	2,155,653	129,556
1987	2,028,202	111,065
1986	1,880,039	102,448

	No. of Com. Shares †	Earn. per Share †
1990	36,844,000	$ 3.54
1989	36,844,000	3.92
1988	36,844,000	3.52
1987	36,845,000	3.01
1986	36,845,000	2.78

† Adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.89	—	—
1989	0.775	—	—
1988	0.675	—	2 1/2-for-1
1987	0.58	—	—
1986	0.51	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1990	$ 1,077,321	$ 29.24
1989	980,875	26.62
1988	872,335	23.68
1987	767,728	20.84
1986	678,034	18.40

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 2,312,802	$ 2,265,500
Cost of sales	1,594,849	1,551,484
Expenses	502,537	480,225
Prov. for relocation	10,000	—
Interest expense	22,818	23,076
Interest income	(4,289)	(3,934)
Other income	(26,156)	(22,021)
Income bef. taxes	$ 213,043	$ 236,670
Income taxes	82,700	92,208
Net Income	$ 130,343	$ 144,462

* Included in Costs and Expenses, Depreciation and Amortization: $54,478,000 in 1989 and $47,541,000 in 1988.

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 71,273	$ 86,847
Receiv., net	344,633	625,199
*Inventories	393,319	362,037
Prepaid expenses	3,976	6,222
Current Assets	$ 1,113,201	$ 1,080,305
Investments	27,008	16,009
#Fixed assets	408,229	355,438
Total Assets	$ 1,548,438	$ 1,451,752

Liabilities
(000's)

Long-term debt, curr.	$ 7,786	$ 8,133
Dividends payable	8,474	7,369
Accts. payable	92,746	84,540
Accrued inc. taxes	33,578	36,752
Accrued payroll	23,376	25,771
Def. income taxes	27,162	25,075
Other curr. liab.	46,467	45,826
Curr. Liabilities	$ 239,589	$ 233,466
Long-term debt	199,284	197,058
Due to affil. cos.	16,935	18,602
Deferred inc. taxes	2,519	21,751
Other liabilities	12,790	—
+Common stock	5,403	5,403
Add. paid-in capital	6,018	6,018
Retained earnings	1,065,900	969,454
Total Liabilities & Shareholders' Equity	$ 1,548,438	$ 1,451,752

* At LIFO cost which is lower than market.
# Less accumulated depreciation.
+ $0.14 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.21	10.45
%Net Income to Sales	5.64	6.38
%Net Income to Equity	12.10	14.73
Sales to Inventories	5.88	6.26
Debt to Equity	0.19	0.21
Working Capital	$ 873,612,000	$ 846,839,000
Current Ratio	4.65	4.63
Shareholders' Equity	$ 1,077,321,000	$ 980,875,000

Merry-Go-Round Enterprises, Inc.

3300 Fashion Way
Joppa, Maryland 21085
(301) 538-1000
FAX: (301) 538-1001

Officers: Harold Goldsmith, chairman; Michael D. Sullivan, president and chief executive officer; Leonard Weinglass, vice chairman; Isaac Kaufman, senior vice president, chief financial officer, secretary & treasurer; Robert L. Heyman, vice president-warehousing; Frank C. Peters, vice president and controller; Marvin S. Rice, vice president-store design and construction; Wayne J. Schuchart, vice president-management information systems; Barrie R. Wood, vice president-real estate; Myrna Villanueva, assistant controller; Paul D. Levine, president, Merry-Go-Round Division; George E. Kucin, v.p.-merchandising, Merry-Go-Round Division; Joseph R. VanderPluym, v.p.-store operations, Merry-Go-Round Division; Stuart M. Lucas, president, DJ's/Dejaiz/Attivo Division; Gary W. Gillan, v.p.-store operations, DJ's/Dejaiz/Attivo Division; Scott V. Collins, v.p.-merchandising, DJ's/Dejaiz/Attivo Division; Ken Rodriquez, president, Cignal Division; Gilbert Perrone, v.p.-store operations, Cignal Division; Harriet Sheinberg, v.p.-merchandising.

Directors: Harold Goldsmith, chairman; Leonard Weinglass, Michael D. Sullivan, John F. Ireton, Thomas J. Byrne, Jr, Robert B. Bank.

Business Activities: The company is a major national specialty retailer of contemporary fashions for young men and women, with 482 stores in 33 states and the District of Columbia. The company's contemporary fashions appeal to a broad consumer base that ranges in age from 15 to 35 years.

Subsidiaries:

Dejaiz (DJ's Fashion Center for Men)
Cignal
Merry-Go-Round
Attivo

Casey & Osh, Inc.
Operated 27 retail clothing stores that primarily offered contemporary sportswear.

Transfer Agents(s):

Security Trust Company N.A.
Baltimore, Maryland

Stock Exchange(s): New York

Ticker Symbol: MGR

Number of Stores: (at fiscal year end)

1990	613
1989	482
1988	432
1987	388
1986	334

Sales & Earnings

	Net Sales	Net Income
1990*	$ 478,923,000	$ 22,245,000
1989	298,938,000	11,160,000
1988	255,190,000	10,080,000
1987	207,483,000	7,485,000
1986	164,119,000	7,285,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	21,409,000	$ 1.04
1989	20,192,000	0.55
1988	20,018,000	0.50
1987	20,015,000	0.37
1986	20,015,000	0.36

* 53 weeks.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	5%	4-for-3 & 3-for-2
1989	—	—	—
1988	—	—	3-for-2
1987	—	—	—
1986	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 103,271,000	$ 4.63
1989	63,795,000	3.18
1988	52,599,000	2.63
1987	42,484,000	2.12
1986	34,963,000	1.75

‡ Adjusted to reflect stock dividend and stock splits.

Income Account*
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 478,923	$ 298,938
Cost of sales	330,031	210,847
Expenses	110,363	68,832
Interest exp.	2,650	1,259
Income before taxes	$ 35,879	$ 18,000
Income taxes	13,634	6,840
Net Income	$ 22,245	$ 11,160

* Included in Costs and Expenses, Depreciation and Amortization: $13,549,000 in 1990 and $12,169,000 in 1989.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 42,860	$ 19,531
Marketable securities	3,190	1,501
Accts. receiv., net	2,971	4,352
*Inventories	38,426	29,930
Prepaid expenses	1,425	1,668
Current Assets	$ 88,872	$ 56,982
#Fixed assets	92,657	68,953
Leasehold interest in prop. & equip.	—	1,651
Other assets	707	356
Total Assets	$ 182,236	$ 127,942

Liabilities
(000's)

Cap. lease oblig., curr.	$ —	$ 185
Accts. payable	27,070	22,243
Accruals	19,485	9,059
Income taxes	1,463	557
Curr. Liabilities	$ 48,018	$ 32,044
Long-term debt	25,000	25,000
Cap. lease oblig.	—	2,337
Other liabilities	5,947	4,766
+Common stock	223	200
Add. paid-in capital	25,296	8,419
Retained earnings	77,980	55,740
Subscrip. receiv.	(228)	(564)
Total Liabilities & Shareholders' Equity	$ 182,236	$ 127,942

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.49	6.02
%Net Income to Sales	4.64	3.73
%Net Income to Equity	21.54	17.49
Sales to Inventories	12.46	9.99
Debt to Equity	0.24	0.43
Working Capital	$ 40,854,000	$ 24,938,000
Current Ratio	1.85	1.78
Shareholders' Equity	$ 103,271,000	$ 63,795,000

J. Michaels, Inc.

182 Smith Street
Brooklyn, New York 11201
(718) 852-6100
FAX: (718) 858-0396

Officers: James Michaels, president; Francis Mavica, exec. v.p.; Edward P. Sullivan, exec. v.p.; Martin Kasman, secretary/treasurer.

Directors: James Michaels, Francis Mavica, Edward P. Sullivan, Melvin Feingold, Martin Kasman.

Business Activities: Operates six retail stores which sell furniture, bedding, floor coverings, television sets, stereo equipment and major appliances in the Brooklyn and Buffalo, New York, areas.

Transfer Agent(s):

American Stock Transfer and Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1989	6
1988	6
1987	6
1986	6

Sales & Earnings

	Revenues †	Net Income
1990	$ 11,848,532	$ 499,850
1989	12,197,572	1,097,235
1988	11,582,016	1,046,402
1987	10,983,751	844,176
1986	11,411,464	942,524

	No. of Com. Shares ‡	Earn. per Share ‡
1990	876,282	$ 0.57
1989	876,282	1.25
1988	876,282	1.19
1987	876,282	0.96
1986	876,282	1.08

† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.39	—	—
1988	0.36	—	—
1988	0.36	—	—
1987	0.36	—	—
1986	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 13,722,273	$ 15.66
1989	13,564,173	15.48
1988	12,782,400	14.59
1987	12,051,460	13.75
1986	11,522,744	13.15

Income Account

Year ended Mar. 31	1990	1989
Net sales	$ 10,194,291	$ 10,499,319
Other income	1,654,241	1,698,253
Total income	$ 11,848,532	$ 12,197,572

	1990	1989
Cost of sales	4,608,707	4,417,213
Expenses	5,502,328	5,318,192
Bad debt expense	1,136,542	744,137
Depreciation & amortization	186,477	56,759
Interest expense	15,202	40,870
Interest income	(511,271)	(469,880)
Loss on sale of land & bldg.	—	174,138
Other expense (income)	49,967	(31,092)
Income before taxes	$ 860,580	$ 1,947,235
Income taxes	360,730	850,000
Net Income	$ 499,850	$ 1,097,235

Assets

As of Mar. 31	1990	1989
Cash & cash equiv.	$ 1,821,060	$ 1,232,676
Short-term invest.	4,245,871	5,598,553
Cust. install. receiv.	7,067,880	7,948,078
Accts. receiv., net	89,479	96,800
*Inventories	1,297,596	1,511,400
Refundable taxes	220,053	—
Prepaid expenses	76,936	59,362
Current Assets	$ 14,818,875	$ 16,446,869
#Fixed assets	541,044	575,711
Assets held for lease	237,841	—
Other assets	53,300	53,300
Total Assets	$ 15,651,060	$ 17,075,880

Liabilities

	1990	1989
Long-term debt, curr.	$ 16,648	$ 14,798
Accts. payable	65,208	247,331
Accrued payroll	243,624	299,092
Accrued taxes	25,745	3,534
Other accruals	72,215	63,433
Income taxes	890,462	1,268,990
Curr. Liabilities	$ 1,313,902	$ 1,897,178
Long-term debt	90,170	106,818
Deferred inc. taxes	524,715	1,507,711
+Common stock	1,105,369	1,105,369
Add.paid-in capital	1,025,224	1,025,224
Retained earnings	11,820,767	11,662,667
Treasury stock	(229,087)	(229,087)
Total Liabilities & Shareholders' Equity	$ 15,651,060	$ 17,075,880

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.44	18.55
%Net Income to Sales	4.90	10.45
%Net Income to Equity	3.64	8.09
Sales to Inventories	7.86	6.95
Debt to Equity	0.01	0.01
Working Capital	$ 13,504,973	$ 14,549,691
Current Ratio	11.28	8.67
Shareholders' Equity	$ 13,722,273	$ 13,564,173

Michaels Stores, Inc.

5931 Campus Circle Drive
Las Colinas Business Park
Irving, Texas 75063
(214) 580-8242
FAX: (214) 580-1345

Mailing address:

P.O. Box 612566
DFW, Texas 75261-2566

NOTE: On Aug. 9, 1989, the Company agreed to be acquired by MSI Holdings, Inc., a company organized and controlled by Grauer & Wheat Investments, Inc., a private investment firm, and Acadia Partners, L.P., a Fort Worth-based investment partnership.

Officers: Sam Wyly, chairman of the board; Charles J. Wyly, Jr., vice chairman; B.B. Tuley, presiden[illegible]ief executive officer; R. Don Morris, sr. v.p.-finance & chief financial officer; J. Eugene Stubbs, sr. v.p.-administration & treasurer; Douglas B. Sullivan, sr. v.p.-real estate; Thomas D. Sigerstad, sr. v.p.-marketing; Joel H. Mathis, v.p.-administration & asst. secretary; Edward K. Baker, v.p.-operations; Mark V. Beasley, v.p., general counsel & secretary; Carl T. Cusik, v.p.-merchandising; Robert E. German, v.p.-human resources.

Directors: Sam Wyly, chairman of the board; Charles J. Wyly, Jr., William O. Hunt, Donald G. Thomson, B.B. Tuley, Richard E. Hanlon, Dr. Jay Taylor.

Business Activities: Operates a chain of 122 specialty retail stores in 17 states. These stores feature creative products for the home, including picture framing materials and services, silk and dried flowers and related floral items, needlework and other arts and crafts items, greeting cards and party supplies, hobby kits and related supplies.

Subsidiary:

Moskatel's, Inc.
Los Angeles, California
A specialty retail chain operating 28 stores, primarily in California.

Transfer Agent(s):

Team Bank
Dallas, Texas

Stock Exchange(s): American

Ticker Symbol: MKE

Number of Stores: (at fiscal year end)

1989	122	1986	51
1988	105	1985	41
1987	96		

Sales & Earnings

	Net Sales	Net Income
1989	$ 289,754,000	$ 13,000
1988	249,632,000	5,190,000
1987	167,186,000	4,897,000
1986	115,904,000	3,336,000
1985	76,197,000	1,484,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	10,645,000	$ —
1988	10,349,000	0.50
1987	9,836,000	0.50
1986	9,605,000	0.35
1985	7,897,000	0.19

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 40,377,000	$ 3.79
1988	39,277,000	3.80
1987	33,422,000	3.40
1986	28,227,000	2.94
1985	23,598,000	2.99

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 289,754	$ 249,632
Cost of sales	193,556	169,631
Expenses	81,905	63,131
Interest expense	9,896	8,638
Interest income	(231)	(120)
Other expense	4,068	—
Income before taxes	$ 560	$ 8,352
Income taxes	547	3,162
Net Income	$ 13	$ 5,190

* Included in Costs and Expenses, Depreciation and Amortization $7,195,000 in 1989 and $5,071,000 in 1988.

Assets
(000's)

As of	1/28/90	1/29/89
Cash	$ 1,238	$ 1,407
Accts. receiv., net	1,566	1,054
*Inventories	86,435	74,416
Prepaid expenses	2,894	2,413
Current Assets	$ 92,133	$ 79,290
#Fixed assets	30,592	27,310
Costs in exc. of assets acq.	23,700	24,407
Other assets	4,392	3,914
Total Assets	$ 150,817	$ 134,921

Liabilities
(000's)

	1/28/90	1/29/89
Long-term debt, curr.	$ 3,248	$ 226
Accts. payable	9,831	7,940
Accruals	20,374	13,083
Curr. Liabilities	$ 33,453	$ 21,249
Long-term debt	74,241	72,017
Deferred inc. taxes	2,746	2,378
+Common stock	985	973
Add. paid-in capital	22,552	21,950
Retained earnings	17,161	17,148
Notes receiv. from officers	(236)	(709)
Treasury stock	(85)	(85)
Total Liabilities & Shareholders' Equity	$ 150,817	$ 134,921

* At lower of cost (average) or market. Distribution center inventories at lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.19	3.35
%Net Income to Sales	—	2.08
%Net Income to Equity	0.03	6.97
Sales to Inventories	3.35	3.35
Debt to Equity	1.92	1.84
Working Capital	$ 58,680,000	$ 58,041,000
Current Ratio	2.75	3.73
Shareholders' Equity	$ 40,377,000	$ 39,277,000

Montgomery Ward & Co., Incorporated

(The Company went private via a leveraged buyout, June, 1988.)

One Montgomery Ward Plaza
Chicago, Illinois 60671-0042
(312) 467-2000

Officers: Bernard F. Brennan, chairman of the board, president & chief exec. officer; Bernard W. Andrews, president, Home & Automotive group; Dominic Mangone, president, Montgomery Ward Financial Services; Richard Bergel, president, store operations; Daniel H. Levy, president, Apparel group.

Business Activities: The Company operates in 39 states with more than 325 stores, 26 distribution centers, 133 product service centers and 23 liquidation stores. The Company focuses on four basic specialties: home electronics and major appliances; home furnishings and accessories; apparel; and automotive tires, parts and service. There is also a special category offering merchandise that changes with the season called Four Seasons. These specialties can be found in large, full-line stores, in various smaller combinations or in free-standing single-specialty stores.

Divisions and Subsidiaries:

Electric Avenue
Offers popular brand name items in quality TV's, VCR's, stereos, major appliances and other merchandise.

Home Ideas
Markets a wide variety of brand name furniture, window treatments, lamps, housewares, accessories and small appliances.

The Apparel Store
Merchandiser of brand name apparel, shoes and accessories for men and women.

The Kids Store
Merchandiser of children's apparel, toys, cards and party favors.

Gold 'N Gems
Merchandiser of diamonds, gold, precious stones and other jewelry; and accessories.

Auto Express
Provides state-of-the-art computer diagnostic equipment and service on tire and battery installaations.

The Signature Group
Direct-mail marketing; personal insurance products; membership clubs.

Standard T Chemical
Paints/detergents

Four Seasons Shop
Offers merchandise to fit a special time of year; sporting goods; and wallpapers and paint.

Number of Stores: (at fiscal year end)

1988	326	1986	295
1987	316	1985	316

Sales & Earnings

	Net Sales	Net Income
1988	$4,784,000,000	$ 139,000,000
1987	4,639,000,000	130,000,000
1986	4,383,000,000	110,000,000
1985	5,389,000,000	53,000,000

Motts Holdings, Inc.

59-65 Leggett Street
East Hartford, Connecticut 06108
(203) 289-3301
FAX: (203) 289-2909

P.O. Box 1675
Hartford, Connecticut 06144-1675

Officers: Barry Baskind, president & chief executive officer; Stanley Baskind, exec. v.p.-finance, treasurer & corp. secretary.

Directors: Lewis Ellish, Stanley Baskind, John B Abrahms, Barry P. Baskind, Gloria Schaffer.

Business Activities: The Company owns and operates through its wholly-owned subsidiary, Mott's Super Markets, Inc., three Shop-Rite Supermarkets in Connecticut. One of these supermarkets also contains an in-store prescription drug department. In addition, two retail package store outlets are operated in Connecticut under the name "Shop-Rite Liquor Store."

Subsidiaries:

Mott's Shoprite Super Markets
Bloomfield, Waterbury, Brookfield, Connecticut

Mott's Shoprite Liquor Stores
Waterbury, Manchester, Connecticut

Transfer Agent(s):

Mellon Financial Services
111 Founders Plaza
11th Floor
East Hartford, Connecticut 06108

Stock Exchange(s): American

Ticker Symbol: MSM

Number of Stores: (at fiscal year end)

1989	5	1986	22
1988	5	1985	23
1987	5		

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 2,899,000	$ 1,779,000
1988	2,872,000	(86,000)
1987*	2,745,000	5,178,000
1986	2,670,000	(2,746,000)
1985	2,272,000	(4,696,000)

	No. of Com. Shares	Earn. per Share ‡
1989	2,610,454	$ 0.68
1988	2,614,424	—
1987*	2,786,224	1.86
1986	2,786,224	—
1985	2,786,224	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gain of $2,429,893 ($0.87 per share) in 1987.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 28,518,000	$ 10.92
1988	26,764,000	10.24
1987	28,095,000	10.08
1986	22,842,000	8.20
1985	25,588,388	9.18

Income Account

Year ended	12/30/89	12/31/89
Net sales	$ 2,898,849	$ 2,872,286
Cost of sales	2,332,987	2,326,611
Expenses	1,877,947	1,679,506
Depreciation	118,017	148,679
Other income	(2,098,885)	(2,026,422)
Inc. bef. taxes	$ 668,783	$ 743,912
Income taxes	341,492	304,698
Income-cont. oper.	$ 327,291	$ 439,214
Inc. (loss)-discont. oper.	1,451,248	(525,161)
Net Income (Loss)	$ 1,778,539	$ (85,947)

Assets

As of	12/30/89	12/31/89
Cash & cash equiv.	$ 19,844,983	$ 14,400,262
Notes receivable	72,994	64,184
Due from Wakefern Food Corp.	—	2,546,980
Accts. receiv., net	1,075,546	1,497,968
*Inventories	465,805	453,956
Prepaid pension cost	—	600,165
Prepaid expenses	456,147	504,804
Current Assets	$ 21,915,475	$ 20,068,319
Investments	166,151	166,329
#Fixed assets	1,189,537	1,356,620
Other assets	11,555,630	10,827,149
Total Assets	$ 34,826,793	$ 32,418,417

Liabilities

Long-term debt, curr.	$ 3,708	$ 3,498
Accts. payable	4,628,320	3,802,609
Accruals	918,490	1,113,935
Curr. Liabilities	$ 5,550,518	$ 4,920,042
Long-term debt	51,804	55,512
Negative capital in partner. invest.	191,977	104,556
Deferred inc. taxes	36,820	36,820
Deferred comp.	477,692	537,692
+Common stock	2,786,224	2,786,224
Add. paid-in capital	20,349,978	20,349,978
Retained earnings	6,671,519	4,873,143
Treasury stock	(1,289,739)	(1,245,550)
Total Liabilities & Shareholders' Equity	$ 34,826,793	$ 32,418,417

* At cost (FIFO) by the retail method.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	6.24	—
Sales to Inventories	6.22	6.33
Working Capital	$ 16,364,957	$ 15,148,277
Current Ratio	3.95	4.08
Shareholders' Equity	$ 28,517,982	$ 26,763,795

Munsingwear, Inc.

724 North First Street
Minneapolis, Minnesota 55401
(612) 340-4700
FAX: (612) 340-4952

Officers: Lawrence L. Horsch, chairman & chief exec. officer; Thomas J. Ahmann, v.p.-finance & chief financial officer; Roger W. Meyer, v.p.-administration & law, secretary; Charles J. Campbell, v.p. & president-Men's Division; Paul S. Haskell, v.p. & president-LeRoi Princeton Division; Steven M. Tolensky, president-Munsingwear Canada (1989) Inc.; Gerald E. Magnuson, asst. secretary.

Directors: Lawrence L. Horsch, chairman; Gerald E. Magnuson, Sandra W. Meyer, William L. Garrity.

Business Activities: Engaged in the production and sale of loungewear, sleepwear, underwear and sportswear for men, women, and children. The Company's Outlet Store Division operates 7 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

Divisions:

Men's Apparel Division
Minneapolis, Minnesota
Products include underwear, golf shirts, sport shirts, hosiery, slacks, tenniswear and sweaters.

Outlet Store Division
Minneapolis, Minnesota
Operates 7 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

LeRoi Princeton Division
Princeton, Kentucky
Designs, manufactures and distributes children's hosiery, sleepwear and footwear under the Le Roi label.

Subsidiary:

Munsingwear Canada (1989) Inc.
Montreal, Canada
Designs, imports and markets contemporary and junior apparel.

Transfer Agent(s):

Continental Bank N.A.
231 LaSalle Street
Chicago, Illinois 60697

Stock Exchange(s): New York

Ticker Symbol: MUN

Number of Stores:

1989	7
1988	16
1987	18
1986	17
1985	15

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 111,838,000	$ (14,974,000)
1988	111,348,000	(13,120,000)
1987	128,654,000	(22,696,000)
1986	78,865,000	3,454,000
1985	51,821,000	3,382,000

	No. of Com. Shares †	Earn. per Share ‡ #
1989	4,888,758	$ —
1988	4,876,258	—
1987	4,876,258	—
1986	4,794,590	0.74
1985	3,854,229	0.83

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $681,000 ($0.14 per share) in 1986 and $693,000 ($0.17 per share) in 1985.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ (52,000)	$ —
1988	14,723,000	3.02
1987	31,124,000	6.38
1986	52,766,000	11.01
1985	38,897,000	10.10

(Deficiency)
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/6/90	1/7/89
Net sales	$ 111,838	$ 111,348
Cost of sales	82,684	90,677
Expenses	32,525	30,642
Royalty income	(294)	(567)
Interest expense	6,368	5,092
Gain on sale of trademarks	—	(3,250)
Loss on consolidation	1,526	703
Other income	(264)	(523)
Loss bef. taxes	$ (10,707)	$ (11,426)
Income taxes	102	550
Loss-cont. oper.	$ (10,809)	$ (11,976)
Loss-discont. oper.	(4,165)	(1,144)
Net Loss	$ (14,974)	$ (13,120)

* Included in Costs and Expenses, Depreciation and Amortization: $2,773,000 in 1989 and $2,857,000 in 1988.

Assets
(000's)

As of	1/6/90	1/7/89
Cash	$ 11,811	$ 1,319
Receiv., net	13,841	20,481
*Inventories	18,013	36,983
Prepaid expenses	1,492	2,136
Net assets-discont. oper.	5,162	—
Current Assets	$ 50,319	$ 60,919
#Fixed assets	6,827	11,638
Other assets	15,266	16,134
Total Assets	$ 72,412	$ 88,691

Liabilities
(000's)

Short-term debt	$ 19,554	$ 15,904
Long-term debt, curr.	2,006	2,038
Accts. payable	6,052	7,591
Accrued payroll	3,162	4,449
Income taxes pay.	42	76
Due under share value guar.	1,410	2,338
Other accruals	3,061	3,811
Curr. Liabilities	$ 35,287	$ 36,207
Long-term debt	35,465	36,738
Deferred income	1,712	1,023
+Common stock	6,759	6,746
Add. paid-in capital	21,675	21,646
Retained earnngs (deficit)	(23,750)	(8,776)
For curr. trans. adj.	1,209	1,052
Treasury stock	(5,945)	(5,945)
Total Liabilities & Shareholders' Equity	$ 72,412	$ 88,691

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	6.21	3.01
Debt to Equity	—	3.71
Working Capital	$ 15,032,000	$ 24,712,000
Current Ratio	1.43	1.68
Shareholders' Equity (Deficiency)	$ (52,000)	$ 14,723,000

Nash Finch Company

3381 Gorham Avenue
St. Louis Park, Minnesota 55426
(612) 929-0371
FAX: (612) 924-4854

Officers: Harold B. Finch, Jr., chairman & chief executive officer; Russell N. Mammel, president & chief operating officer; Jerome O. Rodysill, sr. v.p.; Gerald E. Barber, v.p.; Clarence T. Walters, v.p.; Anthony J. Wald, v.p.; Robert F. Nash, v.p. & treasurer; Philip E. Bortscheller, assistant treasurer; Norman R. Soland, v.p. & secretary; Walter G. Hreno, asst. secretary.

Directors: Harold B. Finch, Jr.*, chairman; Alan W. Clark, Ann M. Crowley, Russell N. Mammel*, Donald R. Miller, Robert F. Nash*, Jerome O. Rodysill*, Arthur C. Wangaard, Jr.*, Richard A. Fisher, Richard G. Lareau.

* Member of the Executive Committee

Business Activities: The company has three primary business segments: Wholesale Distribution, Retail Distribution, and Produce Marketing. The wholesale distribution is the largest. Nash Finch's 17 distribution centers in 10 states supply customers in 24 states with a wide range of food and general merchandise. The retail distribution segment represents 93 stores in 13 states that Nash Finch owns and operates. Stores operate under a variety of names, including Econofoods, Food Bonanza, Sun Mart, Jack & Jill, Piggly Wiggly, Farm Fresh and others. The company also owns a produce marketing subsidiary in California that sells fresh fruit and vegetables to large wholesalers and chain retailers. stores are warehouse stores operated under the names "Econofood," "Warehouse Market," "Food Bonanza," "Prairie Market," and "Sax Foods," and 11 are combination general merchandise/food stores operated under the names "Family Thrift Center" and "Farm Fresh." In addition, 17 food distribution centers supply approximately 600 affiliated supermarkets, 200 unaffiliated supermarkets and 5,000 independent retailers and institutions. The firm also owns a produce marketing subsidiary in California, which sells fresh fruits and vegetables to large wholesalers and chain retailers.

Divisions and Subsidiaries:

Piggly Wiggly
Corporate and affilated supermarkets in North and South Dakota, Minnesota and Montana.

Jack & Jill
Corporate and affiliated supermarkets in Minnesota, North and South Dakota, Iowa, Illinois, Nebraska, Kansas, Texas, Montana, Colorado, Oklahoma, Wyoming, and Wisconsin.

Sun Mart
Corporate supermarkets in Iowa, Nebraska, North Dakota and Minnesota.

Family Thrift Center
General merchandise/food stores in Nebraska, South Dakota and North Dakota.

Food Pride
Affiliated independent supermarkets in North Carolina.

Warehouse Market
Warehouse stores in Minnesota, Iowa, and Kansas.

Food Bonanza
Warehouse stores in Iowa, Nebraska, North Dakota, Texas, Wyoming, Kansas, Illinois, South Dakota and Minnesota.

Prairie Market
Warehouse stores in South Dakota.

Econofoods
Warehouse stores in Iowa, Nebraska, Minnesota and North Dakota.

The Nash DeCamp Company
Produce marketing subsidiary in California and Arizona.

The S. C. Shannon Company
Food distribution center serving independent food retailers in Wisconsin.

M. H. McLean Wholesale Grocery Co., Inc.
Food distribution center serving independent food retailers in North and South Carolina.

Thomas & Howard Company of Hickory, Inc.
These three companies operate four grocery and health and beauty aids warehouses in the Southeast.

Thomas & Howard Company of Rocky Mount, Inc.

Virginia Foods of Bluefield, Inc.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Stock Transfer Dept.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NAFC (NASDAQ)

Number of Stores: (at fiscal year end)

1989	93	1986	93
1988	94	1985	91
1987	91		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 2,195,010,804	$ 13,151,832
1988	2,069,582,937	18,175,404
1987	1,919,461,458	18,502,281
1986*	1,577,356,682	13,833,792
1985	1,327,399,780	12,005,731

	No. of Com. Shares #	Earn. per Share #
1989	10,868,175	$ 1.21
1988	10,881,408	1.67
1987	10,575,659	1.75
1986*	10,244,196	1.35
1985	10,195,584	1.18

* 53 weeks.
+ Includes operating revenues and other income.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Wholesale	$ 1,379,871	$ 1,354,040
Retail	810,533	711,222
Produce marketing	29,047	26,560
Total	$ 2,219,451	$ 2,091,822

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.67	—	—
1988	0.65	—	—
1987	0.57	—	—
1986	0.52	—	2-for-1
1985	0.50	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 157,024,000	$ 14.45
1988	151,043,000	13.90
1987	140,850,000	12.97
1986	116,416,000	11.34
1985	107,384,000	10.51

# Adjusted to reflect stock split.

Income Account

Year ended	12/30/89	12/31/88
Net sales	$ 2,195,010,804	$ 2,069,582,937
Other income	28,752,390	28,251,106
Total income	$ 2,223,763,194	$ 2,097,834,043
Cost of sales	1,904,041,398	1,807,448,230
Expenses	264,023,807	230,221,409
Depreciation & amortization	23,170,665	20,192,593
Prof. sh. plan.	3,088,655	2,831,630
Interest expense	8,276,837	8,106,243
Income before taxes	$ 21,161,832	$ 29,033,938
Income taxes	8,010,000	10,858,534
Net Income	$ 13,151,832	$ 18,175,404

Assets

As of	12/30/89	12/31/88
Cash	$ 664,778	$ 707,656
Short-term invest.	12,110,000	—
Accts. reciev., net	48,907,033	58,347,522
*Inventories	145,119,941	155,644,829
Prepaid expenses	5,462,419	5,255,940
Current Assets	$ 212,264,171	$ 219,955,947
Investments	22,578,015	22,898,804
#Fixed assets	143,629,126	142,789,128
Assets under cap. leases	1,198,388	1,433,110
Defer. charge	864,297	896,889
Exc. of cost over assets acq.	236,729	295,011
Total Assets	$ 380,770,726	$ 388,268,889

Liabilities

Outstanding checks	$ 11,030,106	$ 19,421,198
Short-term debt	—	22,600,000
Long-term debt & cap. lease oblig.	4,486,305	3,890,618
Accts. payable	90,637,205	91,992,008
Accruals	17,361,571	13,993,159
Income taxes	4,643,880	1,170,765
Curr. Liabilities	$ 128,159,068	$ 153,067,748
Long-term debt	75,049,437	62,981,909
Cap. lease oblig.	2,900,335	3,233,981
Deferred compensation	10,426,673	10,265,285
Deferred income taxes	4,547,323	6,698,186
Other liab.	2,663,670	978,409
+Common stock	18,706,339	18,706,339
Add. paid-in capital	11,902,604	11,812,464
Retained earnings	129,498,959	123,629,132
Treasury stock	(3,083,682)	(3,104,564)
Total Liabilities & Shareholders' equity	$ 380,770,726	$ 388,268,889

* Nonperishable inventories at LIFO; remainder of the merchandise and supply inventories at lower of cost or replacement market.
# Less accumulated depreciation.
+ $1.66 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.96	1.40
%Net Income to Sales	0.60	0.88
%Net Income to Equity	8.38	12.03
Sales to Inventories	15.13	13.30
Debt to Equity	0.52	0.61
Working Capital	$ 84,105,103	$ 66,888,199
Current Ratio	1.66	1.44
Shareholders' Equity	$ 157,024,220	$ 151,043,371

National Convenience Stores Incorporated

100 Waugh Drive
Houston, Texas 77007
(713) 863-2200
FAX: (713) 880-0579

Officers: V. H. Van Horn, president & chief exec. officer; A. J. Gallerano, sr. v.p.-general counsel & secretary; J. C. Brewster, sr. v.p.-finance & chief financial officer; Patricia A. Raybon, v.p.-internal audit; C. R. Wortham, sr. v.p.-real estate; Jerry M. Comstock, Jr., v.p.-merchandise; Michael C. Kearney, v.p. & treasurer; F. R. Daily, Jr., v.p.-advertising & sales promotion; Arnold Van Zanten, v.p.-systems.

Directors: William Key Wilde, Raymond W. Oeland, Jr., Dunbar N. Chambers, Jr., Richard C. Steadman, Robert B. Stobaugh, V. H. Van Horn.

Business Activities: Operates a chain of 1,142 self-service convenience food stores in Texas, Florida, Georgia and California, with the majority of the stores located in Texas. Most stores are company-owned and operated under the name "Stop N Go," and sell staple foods, groceries, beverages, snack foods, and other food items.

Divisions:

Western Division
1716 Glenoaks
Anaheim, California 92801
(714) 778-8837

Gulf Coast Division
100 Waugh Drive
Houston, Texas 77007
(713) 863-2203

Midwestern Division
2521 Brown Boulevard
Arlington, Texas 76006
(817) 649-8785

Southwestern Division
5946 Blanco Road
San Antonio, Texas 78216
(512) 344-5577

Transfer Agent(s):

Boatmen's Trust Company of St. Louis
St. Louis, Missouri

Stock Exchange(s): New York

Ticker Symbol: NCS

Number of Stores: (at year end)

1989	1,142	1986	958
1988	1,076	1985	1,130
1987	950		

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,072,507,000	$ (8,858,000)
1988	914,980,000	6,754,000
1987	828,044,000	(5,445,000)
1986	949,874,000	3,582,000
1985	927,507,000	15,509,000

	No. of Com. Share #	Earn. per Share #
1989	22,381,000	$ —
1988	22,436,000	0.30
1987	22,637,000	—
1986	23,219,000	0.15
1985	20,440,000	0.76

(Loss)
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Merchandise	$ 623,000,000	$ 550,000,000
Gasoline	450,000,000	365,000,000
Total	$ 1,073,000,000	$ 915,000,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.36	—	—
1988	0.36	—	—
1987	0.36	—	—
1986	0.36	—	—
1985	0.36	—	5-for-4

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1989	$ 64,140,000	$ 2.66
1988	74,612,000	3.33
1987	73,510,000	3.28
1986	89,508,000	3.90
1985	96,114,000	4.18

‡ After allowing for preferred stock at stated value.
# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 1,072,507	$ 914,980
Cost of sales	799,678	663,906
Oper. exp.	211,844	183,086
Expenses	42,129	37,871
Interest expense	33,380	29,772
Loss on sale of assets	—	130
Income (loss) before taxes	$ (14,524)	$ 215
Tax credit	(5,666)	(8)
Cum. effect of acct. change	—	(6,531)
Net Income (Loss)	$ (8,858)	$ 6,754

*Included in Costs and Expenses, Depreciation and Amortization: $30,090,000 in 1989 and $29,640,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 6,139	$ 11,329
Accts. & notes receiv., net	6,774	4,024
Refundable inc. taxs	—	866
*Inventories	58,430	59,120
Prepaid expenses	9,305	5,483
Current Assets	$ 80,648	$ 80,822
#Fixed assets	314,083	387,857
Other assets & defer. charges	53,774	54,581
Total Assets	$ 448,505	$ 523,260

Liabilities
(000's)

	1989	1988
Long-term debt & cap. lease oblig., curr.	$ 10,726	$ 14,882
Accts. payable & accrued expenses	68,115	58,863
Dividends payable	2,015	2,013
Curr. Liabilities	$ 80,856	$ 75,758
Long-term debt	213,433	274,628
Cap. lease oblig.	17,040	19,316
Deferred inc. taxes	18,794	24,813
9% convertible debentures	50,000	50,000
Other liabilities	4,242	4,132
+Preferred stock	1	1
++Common stock	9,994	9,986
Add. paid-in capital	87,782	87,829
Retained earnings	6,069	23,037
Treasury stock	(12,134)	(12,136)
Notes receiv.	(27,572)	(34,104)
Total Liabilities & Shareholders' Equity	$ 448,505	$ 523,260

* At lower of cost (FIFO) or market; gasoline inventories at average cost.
# Less accumulated depreciation and amortization.
+ $1 par value.
++ $0.41 2/3 par value.

Statistical Summary

	1989	1988
%Income bef. Taxes to Sales	—	0.02
%Net Income to Sales	—	0.74
%Net Income to Equity	—	9.05
Sales to Inventories	18.36	15.48
Debt to Equity	3.76	4.14
Working Capital	—	$ 5,064,000
Current Ratio	—	1.07
Shareholders' Equity	$ 64,140,000	$ 74,613,000

National Lumber & Supply, Inc.

17102 Newhope Street
Fountain Valley, California 92708
(714) 751-3970

Officers: Sol Jaffee, chairman of the board; Melvin Jaffee, president & chief executive officer; Jordan G. Silverberg, executive v.p.; Richard C. Sturt, v.p.-administration & secretary; V.J. Carnevale, v.p., chief financial officer & treasurer.

Directors: Sol Jaffee, chairman of the board; Melvin Jaffee, Jordan G. Silverberg, Lawrence R. Gordon, Victor Carter, Haim Ben-Shahar, Marvin A. Weiss.

Business Activities: Operates 20 discount home centers in southern California. These centers sell a wide range of lumber and building materials, hardware, gardening and home improvement and repair products to the do-it-yourself market.

Subsidiaries:

Lauren-Bilt Construction, Inc.
Jaffee Wholesale, Inc.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NTLB (NASDAQ)

Number of Stores: (at fiscal year end)

1989	20	1986	19
1988	19	1985	15
1987	18		

Sales & Earnings

	Revenues	Net Income
1988	$ 152,430,467	$ (4,640,466)
1987	159,288,866	228,758
1986	151,286,000	(2,421,000)
1985	136,424,000	(154,000)
1984	127,880,000	1,335,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,637,298	$ —
1987	6,635,585	0.04
1986	5,633,809	—
1985	5,631,789	—
1984	5,631,559	0.24

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 16,067,000	$ 2.85
1987	20,702,000	3.67
1986	20,463,000	3.63
1985	22,879,000	4.06
1984	23,237,000	4.13

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1989	1988
Net sales	$ 152,025,195	$ 158,776,352
Other income	405,272	512,514
Total income	$ 152,430,467	$ 159,288,866
Cost of sales	106,615,992	111,248,806
Expenses	50,600,763	47,900,088
Interest expense	946,178	195,214
Loss before taxes	$ (5,732,466)	$ (55,242)
Tax credit	(1,092,000)	(34,000)
Cum. effect of change in accntng. meth.	—	(250,000)
Net Income (Loss)	$ (4,640,466)	$ 228,758

* Included in Costs and Expenses, Depreciation and Amortization: $1,861,202 in 1988 and $1,781,476 in 1987.

Assets

As of Jan. 31	1989	1988
Cash	$ 147,043	$ 1,330,018
Accts. receiv., net	2,026,447	1,886,236
Refundable taxes	124,198	563,973
*Inventories	29,619,062	32,042,460
Due from related party	—	21,731
Prepaid expenses	1,172,685	1,537,073
Current Assets	$ 33,089,435	$ 37,381,491
Note receivable	2,000,000	2,000,000
#Fixed assets	11,175,631	11,125,172
Other assets	237,411	581,107
Total Assets	$ 46,502,477	$ 51,087,770

Liabilities

	1989	1988
Notes payable	$ 6,714,784	$ 3,088,423
Long-term debt, curr.	55,550	41,766
Accts. payable	16,645,527	17,422,603
Accrued insurance premiums	808,827	1,140,826
Other accruals	4,123,924	5,543,363
Curr. Liabilities	$ 28,348,612	$ 27,236,981
Long-term debt	1,199,483	1,233,333
Deferred income	484,212	512,695
Deferred inc. taxes	402,769	1,402,769
+Common stock	10,802,102	10,796,227
Retained earnings	5,265,299	9,905,765
Total Liabilities & Shareholders' Equity	$ 46,502,477	$ 51,087,770

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Sales	—	0.14
%Net Income to Equity	—	1.11
Sales to Inventories	5.13	4.96
Debt to Equity	0.50	0.21
Working Capital	$ 4,740,823	$ 10,144,510
Current Ratio	1.17	1.37
Shareholders' Equity	$ 16,067,401	$ 20,701,992

NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710

Officers: Stephen G. Jerritts, president & chief executive officer; Jesse A. Simmons, chief financial officer, treasurer & secretary; Michael L. Kreusner, v.p.; John A. Kelley, v.p.; Leonard Koch, v.p.; James Patrick Martin, v.p.; Claudio Pela, v.p..

Directors: Stephen G. Jerritts, Howard W. Selby, III, Richard Hodgson, Dianne C. Walker.

Business Activities: The Company designs, manufactures, markets and services networked computer systems and software products which address the information management needs of professinals and workgroups. In addition to the Company's core business, a separate division, NBI Direct, markets and distributes commodity and peripheral products which support and enhance NBI networked computer systems. Integrated Solutions, Inc., a subsidiary of NBI, develops, manufactures and distributes high performance workstations and minicomputers based on the UNIX operating system.

Divisions and Subsidiaries:

Integrated Solutions, Inc.
2240 Lundy Avenue
San Jose, California 95131
Designs, manufactures and markets high-performance computers for engineering, scientific and other technical professionals.

NBI Canada Inc.
Foreign sales subsidiaries.
NBI Ltd. (United Kingdom)
NBI GmbH (West Germany)
NBI SA (France)
NBI Systems, Inc. (Hong Kong)

Transfer Agent(s):

Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Pacific

Ticker Symbol: NBI

N.A. - Not Available.

Sales & Earnings

	Revenues +	Net Income †
1989	$ 100,239,000	$ (30,204,000)
1988	137,746,000	(48,819,000)
1987	170,173,000	(5,405,000)
1986	172,454,000	(3,868,000)
1985	192,822,000	13,215,000

	No. of Com. Shares #	Earn. per Share †#
1989	8,476,000	$ —
1988	8,581,000	—
1987	9,272,000	—
1986	9,679,000	—
1985	9,367,000	1.41

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $509,000 in 1987 and $330,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1989	$ 3,098,000	$ 0.37
1988	33,833,000	4.03
1987	86,903,000	9.72
1986	100,371,000	10.32
1985	101,442,000	10.65

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended June 30	1989	1988
Net sales	$ 52,041	$ 81,994
Rental & serv.	48,198	55,752
Total income	$ 100,239	$ 137,746
Cost of sales	65,949	81,274
Expenses	57,880	81,451
Inc. from invest.	(1,731)	(2,305)
Interest expense	5,948	5,083
Loss bef. taxes	$ (27,807)	$ (27,757)
Tax credit	—	(11,408)
Loss-cont. oper.	$ (27,807)	$ (16,349)
Loss-discont. oper.	(2,397)	(33,470)
Net Loss	$ (30,204)	$ (49,819)

* Included in Costs and Expenses, Depreciation and Amortization: $14,156,000 in 1989 and $16,041,000 in 1988.

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 10,726	$ 13,071
Marketable securities	94	87
Receivables	21,099	28,886
*Inventories	11,337	19,915
Net assets-discont. oper.	—	5,942
Other curr. assets	3,270	4,638
Current Assets	$ 46,526	$ 72,539
Installment receiv.	2,405	5,869
#Rental equip.	555	1,598
‡ Field spare parts	5,389	6,454
#Fixed assets	25,539	29,856
Other assets	4,832	6,437
Net assets-discont. oper.	—	5,001
Total Assets	$ 85,246	$ 127,754

Liabilities
(000's)

Long-term debt, curr.	$ 11,899	$ 10,538
Accts. payable	4,986	11,098
Accruals	13,481	21,641
Deferred inc. taxes	—	(1,479)
Net liab. - discont. oper.	875	—
Curr. Liabilities	$ 31,241	$ 41,798
Long-term debt	36,921	46,925
Deferred inc. taxes	8,375	—
Other liabilities	821	924
Net liab. - discont. oper.	695	—
+Preferred stock	41	43
++Common stock	979	975
Add. paid-in capital	57,707	57,776
Retained earnings (deficit)	(40,783)	(9,830)
Curr. trans. adj.	(609)	(256)
Treasury stock	(10,142)	(10,601)
Total Liabilities & Shareholders' Equity	$ 85,246	$ 127,754

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $1 par value; Series A, 9% non-participating cumulative convertible.
++ $0.10 par value.

Statistical Summary

Sales to Inventories	4.59	4.35
Debt to Equity	6.79	1.51
Working Capital	$ 15,285,000	$ 30,741,000
Current Ratio	1.49	1.74
Shareholders' Equity	$ 7,193,000	$ 38,107,000

The Neiman Marcus Group, Inc.

27 Boylston Street
Chestnut Hill, Massachusetts 02167
(617) 232-0760

Officers: Richard A. Smith, chairman of the board & chief exec. officer; Robert J. Tarr, Jr., president & chief oper. officer; J. Atwood Ives, vice chairman of the board & chief financial officer; Samuel Frankenheim, sr. v.p. & general counsel & secretary; Allen Questrom, president & chief exec. officer - Neiman Marcus; Ira Neimark, chairman, president & chief exec. officer - Bergdorf; Stephen C. Elkin, vice chairman & chief oper. officer - Bergdorf; Eve A. Rich, chairman & chief exec. officer - Contempo; Bernard Zeichner, president & chief oper. officer.

Directors: Richard A. Smith, chairman of the board; J. Atwood Ives, Gary L. Countryman, Francis C. Rooney, Jr., Walter J. Salmon, Jean Head Sisco, Robert J. Tarr, Jr..

Business Activities: The Neiman Marcus Group, Inc. consists of three distinctive consumer brand equities, each recognized as a leader within the specialty retailing industry: Neiman Marcus, Bergdorf Goodman, and Contempo Casuals. Neiman Marcus, a world-recognized consumer franchise in high-fashion specialty retailing, serves customers directly through a network of 22 stores in 19 cities. Its mail order business includes the catalogues of Horchow Mail Order, Inc. Bergdorf Goodman offers its customers quality apparel and accessories from leading American and international designers. Bergdorf Goodman also operates a significant mail order business through its fashion catalogues. Contempo Casuals provides quality apparel and accessories for fashion-forward, young women through a chain of 228 stores located in regional shopping malls in 30 states. All apparel carries the Contempo Casuals label, and more than 16% is designed and produced exclusively for Contempo Casuals' customers.

Divisions:

Neiman Marcus

Bergdorf Goodman

Contempo Casuals

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
Post Office Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: NMG

The Neiman Marcus Group, Inc.

Number of Stores: (at fiscal year end)

1989	251

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,467,500,000	$ 25,300,000
1988	1,223,200,000	4,900,000
1987	1,145,100,000	(30,100,000)
1986	1,005,600,000	30,800,000
1985	900,000,000	29,500,000

	No. of Com. Shares	Earn. per Share +
1989	32,694,403	$ 0.03
1988	32,614,145	—
1987	32,607,622	—

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Neiman Marcus	$ 1,112,000	$ 926,200
Bergdorf Goodman	171,000	148,400
Contempo Casuals	184,500	148,600
Total	$ 1,467,500	$ 1,223,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.20	—	—
1988	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ (21,637,000)	$ —
1988	(16,862,000)	—
1987	7,595,000	0.23

(Deficiency)

Income Account *
(000's)

Year ended	7/29/89	7/30/88
Revenues	$ 1,467,504	$ 1,223,162
Cost of revenues	1,020,196	870,797
Expenses	363,276	295,275
Interest expense	26,812	11,973
Corporate expenses	13,671	14,637
Income before taxes	$ 43,549	$ 30,480
Income taxes	18,291	15,000
Cum. effect of acct. change	—	10,542
Net Income	$ 25,258	$ 4,938

* Included in Costs and Expenses, Depreciation and Amortization: $36,482,000 in 1989 and $34,625,000 in 1988.

Assets
(000's)

As of	7/29/89	7/30/88
Cash	$ 18,519	$ 20,452
Accts. receiv., net	191,529	162,442
Sundry deposits & receiv.	16,889	18,583
*Inventories	248,912	222,853
Deferred inc. taxes	4,494	4,692
Other curr. assets	29,238	21,765
Current Assets	$ 509,581	$ 450,787
#Fixed assets	304,854	244,633
Intangibles	118,955	9,304
Total Assets	$ 933,390	$ 704,724

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 37,470	$ 872
Dividends payable	7,259	—
Accts. payable	143,468	99,364
Accruals	99,608	90,808
Income taxes	1,163	2,252
Current Liabilities	$ 288,968	$ 193,296
Long-term debt	250,241	131,051
Other liabilities	55,717	46,333
Deferred inc. taxes	16,311	9,017
+Redeem. preferred stock	343,790	341,889
++Common stock	164	163
++Adjust. voting comm. stock	163	163
Add. paid-in capital	8,055	7,164
Retained earnings (deficit)	(30,019)	(24,352)
Total Liabilities & Shareholders' Equity	$ 933,390	$ 704,724

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; 6% cumulative, exchangeable, convertible, adjustable, voting.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.97	2.49
%Net Income to Sales	1.72	0.40
Working Capital	$ 220,613,000	$ 257,491,000
Current Ratio	1.76	2.33
Shareholders' Equity (Deficiency)	$ (21,637,000)	$ (16,862,000)

NHD Stores, Inc.

(formerly National Hardgoods Distributors Inc.)

365 Washington Street
Stoughton, Massachusetts 02072
(617) 341-1810
FAX: (617) 341-2291

Officers: Sheldon M. Woolf, president; Arthur M. Kagan, v.p. & treasurer; Jerry L. Goad, exec. v.p.; Joseph Quaresima, v.p. & gen. mdse. mgr.; John P. Ahearn, v.p.-management information systems; Anita Lofchie, v.p.-advertising; Theodore G. Dawe, v.p.-finance; Milton Bordwin, clerk.

Directors: Sheldon M. Woolf, Martin E. Feldman, Melvin Weinstein, Howard Rubin, Arthur M. Kagan, Jerry L. Goad, Richard S. Cresse.

Business Activities: Operates a chain of 36 "NHD Super Hardware Stores," in Massachusetts, Rhode Island, New Hampshire, Connecticut and Maine. Hardgood merchandise includes automotive accessories, home furnishings, paint, housewares, and garden and patio goods.

Transfer Agent(s):

Continental Stock Transfer Corporation
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NHDI (NASDAQ)

Number of Stores: (at fiscal year end)

1990	36
1989	33
1988	31
1987	26
1986	20

Sales & Earnings

	Net Sales	Net Income
1990	$ 55,255,849	$ 165,515
1989	51,443,592	1,036,378
1988	45,751,948	844,016
1987	36,360,793	956,144
1986	33,500,995	488,679

	No. of Com. Shares #	Earn. per Share ‡
1990	1,231,885	$ 0.13
1989	1,302,626	0.79
1988	1,302,626	0.63
1987	1,355,026	0.70
1986	1,355,135	0.36

# Adjusted to reflect stock dividend.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 9,101,035	$ 7.39
1989	9,270,356	7.12
1988	8,233,978	6.32
1987	7,670,812	5.66
1986	6,715,596	4.96

‡ Adjusted to reflect stock dividend.

Income Account

Year ended	1/27/90	1/28/89
Net sales	$ 55,255,849	$ 51,443,592
Cost of sales & store oper. exp.	50,586,492	45,416,718
Expenses	2,283,274	2,572,097
Depreciation & amortization	1,329,872	1,180,195
Interest expense	769,569	528,204
Income before taxes	$ 286,642	$ 1,746,378
Income taxes	121,127	710,000
Net Income	$ 165,515	$ 1,036,378

Assets

As of	1/27/90	1/28/89
Cash	$ 322,274	$ 271,574
Marketable securities	613	508,689
Accts. receiv., net	162,112	448,923
*Inventories	16,978,373	18,079,220
Prepaid expenses	674,932	524,932
Curr. Assets	$ 18,138,304	$ 19,833,338
#Fixed assets	4,023,150	3,791,464
Other assets	981,293	885,249
Total Assets	$ 23,142,747	$ 24,510,051

Liabilities

Note payable	$ 900,000	$ —
Long-term debt, curr.	15,996	21,062
Accts. payable	5,962,939	7,916,317
Accruals	782,606	1,362,608
Income taxes	—	236,541
Curr. Liabilities	$ 7,661,541	$ 9,536,528

Long-term debt	5,994,671	5,310,667
Other deferred liab.	385,500	392,500
+Common stock	135,503	135,503
Add. paid-in capital	2,321,890	2,325,806
Retained earnings	7,255,412	7,089,897
Treasury stock	(611,770)	(280,850)
Total Liabilities & Shareholders' Equity	$ 23,142,747	$ 24,510,051

* At lower of cost (FIFO) or market using the retail method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.52	3.39
%Net Income to Sales	0.30	2.01
%Net Income to Equity	1.82	11.18
Sales to Inventories	3.25	2.85
Debt to Equity	0.76	0.58
Working Capital	$ 10,476,763	$ 10,296,810
Current Ratio	2.37	2.08
Shareholders' Equity	$ 9,101,035	$ 9,270,356

S.E. Nichols Inc.

275 Seventh Avenue
New York, New York 10001
(212) 206-9400
FAX: (212) 206-9492

Officers: Manfred Brecker, chairman of the board; Kenneth A. Davis, president & chief executive officer; James E. Herlihy, sr. v.p.-finance & chief financial officer; Marcie B. Davis, v.p., treasurer & secretary; Lee Lobelson, v.p.-administration; H. Joseph Klein, v.p.-security, human resources; William Hoffert, sr. v.p. & general merchandise manager; Joseph Keller, Jr., sr. v.p.-store operations; Michael Stock, v.p.-information systems; Anthony Dilizio, corp. controller.

Directors: Manfred Brecker, chairman; James E. Herlihy, Kenneth Davis, Melvin Katz.

Business Activities: Operating under the name "Pharmhouse", stores will have an emphasis on pharmaceuticals, health and beauty aids and hardgoods.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: NCL

Number of Stores: (at fiscal yeaf end)

1989	30	1986	45
1988	34	1985	44
1987	43		

Sales & Earnings

	Revenues +	Net Income #
1990	$ 213,076,000	$ (37,232,000)
1989	273,852,000	(3,452,000)
1988	294,625,000	(1,940,000)
1987	280,803,000	1,018,000
1986	279,008,000	1,694,000

	No. of Com. Shares †	Earn. per Share #†
1990	4,711,099	$ —
1989	4,682,268	—
1988	4,674,583	—
1987	4,665,381	0.22
1986	4,657,301	0.36

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $2,351,000 in 1990.
† Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 5,687,000	$ 1.21
1989	42,908,000	9.16
1988	46,271,000	9.90
1987	48,182,000	10.33
1986	47,164,000	10.13

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	2/3/90	1/28/89
Revenues	$ 213,076,000	$ 273,852,000
Other income	1,239,000	2,719,000
Total revenues	$ 214,315,000	$ 276,571,000
Cost of revenues	147,817,000	190,763,000
Expenses	73,503,000	86,154,000
Interest expense	6,888,000	7,514,000
Prov. for restruc.	30,800,000	819,000
Loss before taxes	$ (44,693,000)	$ (8,679,000)
Tax credit	(435,000)	(3,278,000)
Loss-cont. oper.	$ (44,258,000)	$ (5,401,000)
Inc.-discont. oper.	4,675,000	1,949,000
Net Loss	$ (39,583,000)	$ (3,452,000)
Extraord. gain	2,351,000	—
Net Loss & extraord. gain	$ (37,232,000)	$ (3,452,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,914,000 in 1990 and $4,870,000 in 1989.

Assets

As of	2/3/90	1/28/89
Cash	$ 4,509,000	$ 4,003,000
Receiv., net	3,036,000	7,910,000
*Inventories	48,351,000	72,190,000
Inc. taxes receiv.	3,475,000	4,380,000
Prepaid expenses	1,312,000	1,324,000
Current Assets	$ 60,683,000	$ 89,807,000
#Fixed assets	23,339,000	37,718,000
Other assets	2,711,000	2,579,000
Total Assets	$ 86,733,000	$ 130,104,000

Liabilities

Short-term borrowings	$ 3,000,000	$ —
Long-term debt, curr.	8,965,000	850,000
Cap. lease oblig., curr.	1,588,000	1,503,000
Accts. payable	15,981,000	30,577,000
Other accruals	4,669,000	5,598,000
Reserve for restruc.	16,160,000	300,000
Curr. Liabilities	$ 50,363,000	$ 38,828,000
Long-term debt	27,128,000	47,126,000
Other liabilities	3,555,000	141,000
Def. inc. taxes	—	1,101,000
+Common stock	472,000	471,000
Add. paid-in capital	15,828,000	15,818,000
Retained earnings (deficit)	(10,613,000)	26,619,000
Total Liabilities & Shareholders' Equity	$ 86,733,000	$ 130,104,000

* At lower of cost or market. Retail division by the retail method; distribution division by FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Debt to Equity	7.15	1.15
Working Capital	$ 10,320,000	$ 50,979,000
Current Ratio	1.20	2.31
Shareholders' Equity	$ 5,687,000	$ 42,908,000

Nordstrom, Inc.

1501 Fifth Avenue
Seattle, Washington 98101
(206) 628-2111
FAX: (206) 628-1289

Officers: Bruce A. Nordstrom, co-chairman of the board; John N. Nordstrom, co-chairman of the board; James F. Nordstrom, co-chairman of the board; John A. McMillan, president; Robert E. Bender, sr. v.p.; John A. Goesling, sr. v.p. & treasurer; Barden Erickson, v.p.; Jack Irving, v.p.; Barbara Kanaya, v.p.; Raymond A. Johnson, v.p.; Robert T. Nunn, v.p.; David L. Mackie, V.p.; Cynthia C. Demme, v.p.; R. Gary Baughn, v.p.; Dale Crichton, v.p.; Darrel Hume, v.p.; Gail Cottle, v.p.; Victoria Percy, v.p.; Suzanne Patneaude, v.p.; Malinda Walderhaug, v.p.; Paul Hunter, v.p.; Jammie Baugh, v.p.; Galen Jefferson, v.p.; John Whitacre, v.p.; Cody Kondo, v.p.; Karen E. Purpur, secretary.

Directors: Bruce A. Nordstrom*, John N. Nordstrom*, James F. Nordstrom*, John A. McMillan, Robert E. Bender, D. Wayne Gittinger, John F. Harrigan, Malcolm T. Stamper, Elizabeth Crownhart Vaughan, Charles A. Lynch, William D. Ruckelshaus, Alfred E. Osborne, Jr., Barbara Hackman Franklin.

* Member of the Executive Committee

Business Activities: Operates a chain of retail specialty stores and clearance stores in Washington, Oregon, Alaska, California, Utah and Virginia, and leased shoe departments in Hawaii.

Subsidiary:

Nordstrom Credit Inc.

Transfer Agent(s):

First Interstate Bank of California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NOBE (NASDAQ)

Number of Stores (at fiscal year end)

	Specialty Stores	Shoe Stores
1990	49	—
1989	48	—
1988	46	—
1987	45	1
1986	44	1

	Clearance Stores	Leased Shoe Depts.
1990	10	11
1989	10	11
1988	10	11
1987	8	11
1986	7	11

Sales & Earnings

	Net Sales	Net Income
1990	$ 2,671,114,000	$ 114,909,000
1989	2,327,946,000	123,332,000
1988	1,920,231,000	92,733,000
1987	1,629,918,000	72,939,000
1986	1,031,857,000	50,079,000

	No. of Com. Shares #	Earn. per Share ‡
1990	81,584,710	$ 1.41
1989	81,465,027	1.51
1988	81,371,106	1.13
1987	80,981,722	0.91
1986	74,504,392	0.65

# Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.22	—	—
1988	0.18	—	2-for-1
1987	0.13	—	2-for-1
1986	0.11	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 733,250,000	$ 8.99
1989	639,941,000	7.86
1988	533,209,000	6.55
1987	451,196,000	5.57
1986	314,119,000	4.22

† Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 2,671,114	$ 2,327,946
Cost of sales	1,829,383	1,563,832
Expenses	669,159	582,973
Interest expense	49,121	39,977
Service charge inc.	(55,958)	(57,268)
Income before taxes	$ 179,409	$ 198,432
Income taxes	64,500	75,100
Net Income	$ 114,909	$ 123,332

* Included in Costs and Expenses, Depreciation and Amortization: $70,873,000 in 1990 and $60,599,000 in 1989.

Assets
(000's)

As of Jan. 31	1990	1989
Cash & cash equiv.	$ 33,051	$ 16,058
Accts. receiv., net	536,274	481,580
*Inventories	419,976	403,795
Prepaid expenses	21,847	12,553
Current Assets	$ 1,011,148	$ 913,986
# Fixed assets	691,937	594,038
Other assets	4,335	3,679
Total Assets	$ 1,707,420	$ 1,511,703

Liabilities
(000's)

Notes payable	$ 102,573	$ 95,903
Long-term debt, curr.	27,799	19,696
Accts. payable	195,338	190,755
Accrued payroll and taxes	122,607	94,369
Other accruals	29,080	26,452
Income taxes	12,491	20,990
Curr. Liabilities	$ 489,888	$ 448,165
Long-term debt	418,533	346,471
Obligations under cap. leases	22,080	23,049
Deferred taxes	43,669	54,077
+ Common stock	148,857	147,629
Retained earnings	584,393	492,312
Total Liabilities & Shareholders' Equity	$ 1,707,420	$ 1,511,703

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	6.72	8.52
% Net Income to Sales	4.30	5.30
% Net Income to Equity	15.67	19.27
Sales to Inventories	6.36	5.77
Debt to Equity	0.78	0.76
Working Capital	$ 521,260,000	$ 466,781,000
Current Ratio	2.06	2.04
Shareholders' Equity	$ 733,250,000	$ 639,941,000

Nortek, Inc.

50 Kennedy Plaza
Providence, Rhode Island 02903-2360
(401) 751-1600
FAX: (401) 751-4610

Officers: Ralph R. Papitto, chairman of the board & chief exec. officer; Richard L. Bready, president, chief financial & chief operating officer; Kenneth J. Ortman, sr. v.p.-group operations; Siegfried Molnar, sr. v.p.-group operations; Kevin W. Donnelly, v.p., general counsel & secretary; Almon C. Hall, v.p., controller & chief accounting officer; Richard J. Harris, v.p. & treasurer; Dennis Olson, v.p.-operations controller.

Directors: Ralph R. Papitto, chairman; Richard L. Bready, Richard J. Harris, Philip B. Brooks, Malcolm M. Donahue, Victoria Lederberg.

Areas of Work: Through the Dixieland Lumber Company, the Company operates 10 retail home centers and a wholesale lumber outlet in the metropolitan San Diego area. Through these stores the Company markets a wide range of building supplies, equipment and tools to the home construction remodeling and do-it-yourself markets. In the area of Commercial and Residential Building Products are included doors and windows, home security systems, bathroom fixtures, faucets and vanities, home ventilation equipment, range hoods, bathroom cabinets, lighting fixtures, sound system intercoms, and heating and cooling systems.

Divisions and Subsidiaries:

Broan Mfg. Co., Inc.
P.O Box 140
Hartford, Wisconsin 53027

Monarch Metal Products Corporation
1901 Estes Ave.
Elk Grove Village, Illinois 60007

M & S Systems, Inc.
2861 Congressman Lane
Dallas, Texas 75201

Jensen Industries, Inc.
1946 East Yeth Street
Los Angeles, California 90058

Dixieline Lumber Company
San Diego, California

Nordyne
10820 Sunset Office Drive
St. Louis, Missouri 63127

Textone, Inc.
Mammoth
Governair
Temtrol

Broan, Ltd.
Manufactures range hoods, fans, heaters, central vacuums, door chimes, lighting fixtures and other residential products.

Universal-Rundle Corporation
Manufactures bath products, including tubs, lavatories, faucets, fixtures, vanities, and medicine cabinets.

L. J. Smith, Inc.
Manufactures custom hardwood stairs and stair rail parts.

Mohawk Flush Doors, Inc.
Northumberland, Pennsylvania
South Bend, Indiana
Manufactures interior hollow core flush doors.

American Door Company of Michigan, Inc.
Walkerton, Indiana
Manufactures interior hollow core flush doors.

Bend Millwork Company/Pozzi Window Co.
Manufactures exterior wood doors, insulated windows and millwork.

Linear Corp.
2055 Corte Del Nogal
Carlsbad, California 92009
Production of home security systems and garage door operators.

Shower-Rite
7519 South Greenwood Avenue
Chicago, Illinois 60619
Production of shower and tub enclosures.

Aubrey Manufacturing, Inc.
Union, Illinois
Manufactures Air Care range hoods, fans and portable heaters.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): New York

Ticker Symbol: NTK

Number of Stores: (at fiscal year end)

1989	11	1987	9
1988	11	1986	5

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 1,080,225,000	$ (12,500,000)
1988	1,029,240,000	19,600,000
1987	911,925,000	(7,250,000)
1986	656,853,000	29,000
1985	276,371,000	17,600,000

	No. of Com. Shares †	Earn. per Share ‡ #
1989	13,927,899	$ —
1988	14,379,698	1.34
1987	15,228,898	—
1986	16,238,000	2.00
1985	13,269,000	1.52

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $16,000,000 in 1989, $6,400,000 ($0.44 per share) in 1988 and extraordinary losses of $550,000 in 1987 and $8,000,000 ($0.55 per share) in 1986.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.140	—	—
1988	0.140	—	—
1987	0.140	—	—
1986	0.095	—	4-for-3
1985	0.080	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 218,031,000	$ 15.65
1988	234,851,000	16.33
1987	222,822,000	14.63
1986	240,829,000	14.83
1985	177,793,000	13.40

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,080,225	$ 1,029,240
Cost of sales	842,534	796,401
Expenses	236,710	210,508
Interest expense	63,901	58,809
Interest income	(27,320)	(29,078)
Loss (gain) on investment	23,900	(11,000)
Inc. (loss) bef. taxes	$ (59,500)	$ 3,600
Income taxes (credit)	(17,000)	3,400
Inc. (loss)-cont. oper.	$ (42,500)	$ 200
Inc.-discont. oper.	14,000	13,000
Net Income (Loss)	$ (28,500)	$ 13,200
Extraord. gain	16,000	6,400
Net Income (Loss) & extraord. gain	$ (12,500)	$ 19,600

* Included in Costs and Expenses, Depreciation and Amortization: $33,273,000 in 1989 and $29,914,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 65,593	$ 40,210
Market. securities	99,775	200,679
Accts. receiv., net	147,490	147,078
*Inventories	168,706	159,221
Net assets - discont. oper.	—	89,417
Current Assets	$ 481,564	$ 636,605
#Fixed assets	178,428	164,709
Goodwill	103,081	105,055
Def. debt exp.	7,016	10,211
Net assets - discont. oper.	17,692	26,614
Invest. in discont. businesses	24,514	8,667
Other assets	24,470	41,720
Total Assets	$ 836,765	$ 993,581

Liabilities
(000's)

Notes pay. & long-term debt, curr.	$ 33,983	$ 43,437
Accts. payable	61,153	60,604
Accruals	64,009	78,607
Curr. Liabilities	$ 159,145	$ 182,648
Notes & mortg. payable	80,670	144,753
Senior notes	42,168	—
Sr. subord. deben.	171,306	232,863
Subord. deben.	88,548	90,592
Convert. deben.	18,133	78,213
Deferred inc. taxes	49,805	19,462
Other liabilities	8,959	10,199
+Common stock	15,023	14,928
+Special common stock	1,492	1,578
Add. paid-in capital	138,068	138,055
Retained earnings	96,243	110,055
Treasury stock	(27,731)	(23,801)
Deferred comp.	(5,064)	(5,964)
Total Liabilities & Shareholders' Equity	$ 836,765	$ 993,581

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	5.62
Sales to Inventories	6.40	6.46
Debt to Equity	0.53	0.80
Working Capital	$ 322,419,000	$ 453,957,000
Current Ratio	3.03	3.49
Shareholders' Equity	$ 218,031,000	$ 234,851,000

Office Depot, Inc.

851 Broken Sound Parkway, N.W.
Boca Raton, Florida 33487
(407) 994-2131
FAX: Ext. 236

Officers: David I. Fuente, chairman of the board, chief executive officer & president; Jack D. Kopkin, exec. v.p. & general merchandise manager; Barry J. Goldstein, v.p.-finance, chief financial officer & secretary; John D. Banville, v.p.-human resources; Richard M. Bennington, v.p.-operations; James E. Clark, v.p.-construction; John O. Grode, v.p.-real estate.

Directors: David I. Fuente, chairman; Stephen L. Dougherty, Jack D. Kopkin, Gerald R. Gallagher, David R. Jaffe, Alan L. Wurtzel, Michael J. Myers.

Business Activities: Operates a chain of 67 large-volume office supply stores located in Florida, Georgia, Texas, North Carolina, Tennessee, and Kentucky that sell brand-name office products primarily to small and medium-sized businesses.

Transfer Agents:

Southeast Bank, N.A.
One Southeast Financial Center
Miami, Florida 33131

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ODEP (NASDAQ)

Number of Stores: (at fiscal year end)

1989	67	1987	10
1988	26	1986	3

Sales & Earnings

	Net Sales	Net Income †
1989	$ 314,587,000	$ 6,473,000
1988*	132,035,000	3,797,000
1987	33,683,000	(2,292,000)
1986+	1,952,000	(1,003,000)

	No. of Com. Shares #	Earn. per Share † ‡
1989	15,292,108	$ 0.43
1988*	11,276,962	0.35
1987	3,574,998	—
1986+	3,534,999	—

(Loss)
* 53 weeks.
+ 9 months.
† Including extraordinary gains of $532,000 ($0.03 per share) in 1989 and $648,000 ($0.06 per share) in 1988.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 100,695,000	$ 6.58
1988	28,845,000	2.56
1987	(2,513,000) †	—
1985	574,000 †	0.16

(Deficiency)
† After allowing for preferred stock at redemption values.
‡ Adjusted to reflect stock split.

Income Account*

Year ended	12/30/89 (53 weeks)	12/31/88
Net sales	$ 314,587,000	$ 132,035,000
Cost of sales	237,575,000	99,300,000
Expenses:		
Oper. & selling	53,161,000	23,263,000
Pre-opening	3,611,000	1,640,000
Gen. & adm.	12,892,000	6,451,000
Interest expense	96,000	112,000
Interest income	(2,450,000)	(583,000)
Life insur. proceeds	—	(2,000,000)
Income before taxes	$ 9,702,000	$ 3,852,000
Income taxes	3,761,000	703,000
Net Income	$ 5,941,000	$ 3,149,000
Extraord. gain	532,000	648,000
Net Income & extraord. gain	$ 6,473,000	$ 3,797,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,834,000 in 1989 and $963,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 28,406,000	$ 5,088,000
Accts. receiv., net	13,124,000	2,218,000
*Inventories	101,015,000	42,840,000
Prepaid expenses	1,565,000	721,000
Current Assets	$ 144,110,000	$ 50,867,000
#Fixed assets	37,212,000	13,748,000
Deposits	42,000	371,000
Other assets	446,000	186,000
Total Assets	$ 182,200,000	$ 65,172,000

Liabilities

Long-term debt, curr.	$ 165,000	$ 184,000
Accts. payable	67,034,000	31,334,000
Income taxes	985,000	—
Accruals	12,942,000	4,229,000
Curr. Liabilities	$ 81,126,000	$ 35,747,000
Long-term debt	147,000	317,000
Deferred credit	232,000	263,000
+Common stock	158,000	78,000
Add. paid-in capital	95,360,000	30,015,000
Retained earnings	6,927,000	502,000
Treasury stock	(1,750,000)	(1,750,000)
Total Liabilities & Shareholders' Equity	$ 182,200,000	$ 65,172,000

• At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.08	2.92
%Net Income to Sales	1.89	2.38
%Net Income to Equity	5.90	10.92
Sales to Inventories	3.11	3.08
Debt to Equity	—	0.02
Working Capital	$ 62,984,000	$ 15,120,000
Current Ratio	1.78	1.42
Shareholders' Equity	$ 100,695,000	$ 28,845,000

One Price Clothing Stores, Inc.

290 Commerce Park
Highway 290
Duncan, South Carolina 29334
(803) 439-6666
FAX: (803) 439-9584

Mailing address:
P.O. Box 2487
Spartanburg, South Carolina 29304-2487

Officers: Henry D. Jacobs, Jr., chairman & chief executive officer; Brian P. Woolf, president & chief operating officer; Raymond S. Waters, exec. v.p., secretary & treasurer; John M. Waters, v.p., chief financial officer & asst. secretary.

Directors: Henry D. Jacobs, Jr., Raymond S. Waters, J. Randall Groves, John M. Waters, Charles D. Moseley, Jr., Brian P. Woolf, David F. Bellet.

Business Activities: Operates 226 off-price women's specialty stores offering women's apparel for the uniform price of $6. Stores are located in North Carolina, South Carolina, Georgia, Tennessee, Virginia, West Virginia, Alabama and florida.

Transfer Agent(s):

Citizens and Southern Trust Company (Georgia), N.A.
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ONPR (NASDAQ)

Number of Stores (at fiscal year end)

1989	226
1988	155
1987	95
1986	52
1985	20

Sales & Earnings

	Net Sales	Net Income
1989	$ 88,754,086	$ 3,839,206
1988	63,816,520	3,844,294
1987	41,235,959	2,727,546
1986	24,999,000	2,012,000
1985	7,117,000	585,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	6,634,953	$ 0.58
1988	6,535,085	0.59
1987	6,225,969	0.44
1986	5,647,369	0.36
1985	4,931,648	0.12

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 20,473,434	$ 3.09
1988	16,049,913	2.46
1987	12,103,118	1.94
1986	2,704,478	0.48
1985	692,274	0.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 88,754,086	$ 63,816,520
Cost of sales	60,171,809	42,111,311
Expenses	21,638,457	14,996,678
Depreciation & amortization	1,147,073	715,271
Interest expense	6,150	4,688
Interest income	(261,609)	(195,722)
Income before taxes	$ 6,052,206	$ 6,184,294
Income taxes	2,213,000	2,340,000
Net Income	$ 3,839,206	$ 3,844,294

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 9,019,545	$ 5,194,713
Misc. receiv.	91,954	124,745
Prepaid expenses	72,371	87,913
•Inventories	8,249,199	6,820,132
Deferred inc. taxes	345,000	259,000
Current Assets	$ 17,778,069	$ 12,486,503
#Fixed assets	12,658,439	10,318,660
Other assets	42,153	57,155
Total Assets	$ 30,478,661	$ 22,862,318

Liabilities

Accts payable	$ 7,080,543	$ 4,190,936
Accrued payroll	796,431	750,458
Accrued taxes	328,966	116,982
Accrued sales tax	746,905	488,006
Accrued rents	24,404	121,737
Income taxes	372,978	737,286
Curr. Liabilities	$ 9,350,227	$ 6,405,405
Deferred inc. taxes	655,000	407,000
+Common stock	65,686	64,728
Add. paid-in capital	7,351,890	6,768,533
Retained earnings	13,055,858	9,216,652
Total Liabilites & Shareholders' Equity	$ 30,478,661	$ 22,862,318

• At lower of average unit cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.82	9.69
%Net Income to Sales	4.33	6.02
%Net Income to Equity	18.75	23.95
Sales to Inventories	10.76	9.36
Working Capital	$ 8,427,842	$ 6,081,098
Current Ratio	1.90	1.95
Shareholders' Equity	$ 20,473,434	$ 16,049,913

The Oshawa Group Limited

302 The East Mall
Etobicoke, Ontario, M9B 6B8, Canada
(416) 236-1971
FAX: (416) 236-2071

Officers: Allister P. Graham, chairman of the board, president & chief operating officer; Philip F. Connell, sr. v.p. & chief financial officer; William L. Atkinson, group v.p.-general merchandise; Jack B. Wolfe, group v.p.-food service and produce companies; Jonathan A. Wolfe, group v.p.-food; Sam Crystal, v.p.-public affairs; G. Michael Moffat, v.p.-business planning; Sidney Pasoff, v.p.-management information services; Donald A. Smith, v.p.-human resources; E. Leonard Besler, controller; Leonard Eisen, treasurer; Harold J. Wolfe, v.p.-real estate & secretary; Elizabeth Wolfe, general counsel; Jack H. Scott, president-food service companies.

Directors: William L. Atkinson, Allister P. Graham, Charles Perrault, Arthur J. R. Smith, Harold J. Wolfe, Harvey S. Wolfe, Philip F. Connell, Jack B. Wolfe, Jonathan A. Wolfe, Donald Carr, Myron J. Wolfe.

Business Activities: Canadian food supplier through retail outlets in Ontario, Quebec, the Atlantic provinces, Manitoba and Saskatchewan. These comprise franchise markets (including IGA markets) as well as company-owned food markets (Food City Markets, IGA, Dutch Boy Food Markets). Also a food wholesaler (Codville Distributors in Manitoba, Saskatchewan and Northwestern Ontario; Oshawa Foods Division in Ontario; Hudon et Deaudelin limitee in Quebec, and Bolands Limited in the Atlantic Provinces) and food supplier to institutional customers (Hickeson-Langs Supply Company). The Ontario Produce Company and White & Co. operate 51 Towers Department Stores in Ontario and the Atlantic Provinces and Bonimart Department Stores in Quebec. Kent Drugs Limited, a subsidiary, operates 31 Drug City and 14 Metro Drugs drug stores, and 25 pharmacies in company-owned department stores and supermarkets. Pharma Plus Drugmarts Ltd. operates 107 Pharma Plus drug stores in Ontario. Also operates real estate subsidiaries.

Divisions and Subsidiaries:

Bolands Limited
Codville Distributors
Kent Drugs Limited
Langs Cold Storage
The Ontario Produce Company
Restaurants Division
Towers Department Stores Inc.
Hudon et Deaudelin limitee
Model Uniform Rental Services Ltd.
Dutch Boy Food Markets
Hickeson-Langs Supply Company
Real Estate Division
The White & Company
Oshawa Foods
Beverage Dispenser Division
Elliott Marr and Company Limited
Pharma Plus Drugmarts Ltd.
Fieldfresh Farms Inc.

Acquisitions:

Scotia Wholesale
Sydney, Nova Scotia

Lewisporte Wholesalers
Lewisporte, Newfoundland

Novagro
St. Jerome, Quebec

Transfer Agent(s):

Montreal Trust
Toronto, Montreal, Calgary, Vancouver and Regina, Canada

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: OSH.A

Number of Stores: (at fiscal year end)

	IGA Associates and Other Franchise Food Markets	Company Owned Food Markets
1990	884	99
1989	1,291	102
1988	1,199	105
1987	1,100	105
1986	1,041	112

	Disc. Dept. Stores	Restaurants and Snack Bars
1990	51	48
1989	48	48
1988	49	49
1987	49	51
1986	48	53

	Pharmacies	Drug Marts
1990	25	152
1989	25	156
1988	23	50
1987	22	50
1986	23	50

Sales & Earnings

	Net Sales (000's)	Net Income # (000's)
1990	$ 4,948,153	$ 69,570
1989*	4,274,535	56,870
1988	3,804,015	49,887
1987	3,526,098	47,251
1986	3,102,447	40,986

	No. of Com. Shares +	Earn. per Share #‡
1990	35,844,222	$ 2.11
1989*	32,113,828	1.78
1988	31,982,929	1.56
1987	31,888,946	1.48
1986	31,856,742	1.29

* 53 weeks.
# Including extraordinary gains of $4,023,000 ($0.12 per share) in 1987 and $126,000 ($0.01 per share) in 1986.
+ Class A and common shares combined outstanding adjusted to reflect stock split.
‡ Based on the weighted average Class A and common shares combined outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Food	$ 3,993,947	$ 3,585,153
General merchandise	950,557	686,211
Real estate	3,649	3,171
Total	$ 4,948,153	$ 4,274,535

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.3900	—	—
1989	0.3500	—	—
1988	0.3100	—	—
1987	0.2725	—	2-for-1
1986	0.2400	—	—

‡ Class A and common shares combined adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 552,862,000	$ 15.42
1989	389,645,000	12.13
1988	341,374,000	10.67
1987	299,579,000	9.39
1986	260,381,000	8.17

‡ Class A and common shares combined outstanding adjusted to reflect stock splits.

Income Account
(000's)

Year ended	1/27/90 (53 weeks)	1/23/89
Net sales	$ 4,948,153	$ 4,274,535
Cost of sales & expenses	4,793,202	4,144,429
Depreciation & amortization	35,516	29,022
Interest expense	12,405	6,452
Int. & dividends earned	(6,972)	(4,774)
Income before taxes	$ 114,002	$ 99,406
Income taxes	44,432	42,536
Net Income	$ 69,570	$ 56,870

Assets
(000's)

As of	1/27/90	1/28/89
Cash & short-term invest.	$ 37,725	$ 3,058
Accts. receiv., net	161,451	136,617
*Inventories	365,805	326,779
Prepaid expenses	14,175	12,944
Current Assets	$ 579,156	$ 479,398
#Fixed assets	343,549	291,031
Other assets	31,127	24,730
Total Assets	$ 953,832	$ 795,159

Liabilities
(000's)

Bank indebtedness	$ 28,601	$ 58,610
Long-term debt, curr.	3,126	813
Accts. pay. & accruals	306,677	278,692
Income taxes payable	10,348	7,695
Curr. Liabilities	$ 348,752	$ 345,810
Long-term debt	30,521	38,213
Deferred inc. taxes	21,697	21,491
+Common stock	44	44
+Class A stock	209,270	100,292
Retained earnings	343,548	289,309
Total Liabilities & Shareholders' Equity	$ 953,832	$ 795,159

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.30	2.33
%Net Income to Sales	1.41	1.33
%Net Income to Equity	12.58	14.60
Sales to Inventories	13.53	13.16
Debt to Equity	0.11	0.25
Working Capital	$ 230,404,000	$ 133,588,000
Current Ratio	1.66	1.39
Shareholders' Equity	$ 552,862,000	$ 389,645,000

Oshkosh B'Gosh, Inc.

112 Otter Avenue
Oshkosh, Wisconsin 54901
(414) 231-8800
FAX: (414) 231-8621

Mailing address:
P.O. Box 300
Oshkosh, Wisconsin 54902

Officers: C. F. Hyde, chairman of the board & chief executive officer; H. M. Krogh, president & chief operating officer; T. R. Wyman, vice chairman; W. P. Jacobsen, v.p. & treasurer; D. M. Carlson, v.p.-human resources; J. F. Beckman, v.p.-sales; A. S. Giordano, v.p.-manufacturing; J. C. Dell'Antonio, v.p.-management information systems; K. H. Masters, asst. v.p.-manufacturing; D. W. Hyde, sr. v.p.-marketing; M. D. Wachtel, sr. v.p.-operations.

Directors: C. F. Hyde, W. P. Jacobsen, T. R. Wyman, S. R. Duback, J. C. Pickard, O. J. Bradley, J. D. Pyle, D. W. Hyde M. D. Wachtel.

Buisness Activities: Designs, manufactures and markets workwear and sportswear for adults, and casualwear and playwear for children. The company has licensed its name to a select number of accessory items, including hosiery, footwear, undergarments and knit accessories. In addition, it has licensed retailer Sears Roebuck & Co. to design, manufacture and market an extensive line of updated men's casual sportswear bearing the Oshkosh label.

Subsidiary:

Oshkosh B'Gosh International Sales, Inc.
Oshkosh, Wisconsin

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GOSHA, GOSHB (NASDAQ)

Number of Stores: (at fiscal year end)

1989 17
1988 14
1987 10
1986 9
1985 9

Sales & Earnings

	Net Sales	Net Income
1989	$ 315,076,000	$ 37,598,000
1988	252,994,000	18,772,000
1987	226,298,000	23,899,000
1986	198,197,000	20,636,000
1985	162,109,000	14,046,000

	No. of Com. Shares +	Earn. per Share ‡
1989	14,585,800	$ 2.58
1988	14,585,800	1.29
1987	14,585,800	1.64
1986	14,585,800	1.41
1985	14,585,800	0.96

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.7975	—	—
1988	0.6500	—	—
1987	0.6300	—	2-for-1
1986	0.4949	—	—
1985	0.3837	—	20-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 128,652,000	$ 8.82
1988	97,186,000	-6.66
1987	83,428,000	5.72
1986	64,375,000	4.41
1985	47,536,000	3.26

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 315,076,000	$ 252,994,000
Cost of sales	209,006,000	188,131,000
Expenses	43,435,000	34,158,000
Interest expense	2,960,000	1,228,000
Interest income	(361,000)	(161,000)
Royalty income	(1,424,000)	(845,000)
Other expense	82,000	21,000
Income before taxes	$ 61,378,000	$ 30,462,000
Income taxes	23,780,000	11,690,000
Net Income	$ 37,598,000	$ 18,772,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,464,000 in 1989 and $3,582,000 in 1988.

Assets

As of Dec. 31	1989	1988
Cash	$ 3,338,000	$ 126,000
Accts. receiv., net	23,029,000	20,266,000
*Inventories	89,334,000	73,774,000
Prepaid expenses	151,000	180,000
Current Assets	$ 115,852,000	$ 94,346,000
#Fixed assets	46,033,000	43,575,000
Other assets	1,381,000	1,144,000
Total Assets	$ 163,266,000	$ 139,065,000

Liabilities

Short-term borrowings	$ 6,524,000	$ 11,835,000
Long-term debt, curr.	1,137,000	1,128,000
Accts. payable	7,609,000	13,603,000
Accrued compensation	3,651,000	2,643,000
Income taxes	3,411,000	415,000
Other curr. liab.	4,843,000	4,438,000
Curr. Liabilities	$ 27,175,000	$ 34,062,000
Long-term debt	4,530,000	5,662,000
Deferred income taxes	681,000	712,000
Emp. benefit plan liab.	2,228,000	1,443,000
+Common stock:		
Class A	128,000	128,000
Class B	18,000	18,000
Add. paid-in capital	2,971,000	2,971,000
Retained earnings	125,535,000	94,069,000
Total Liabilities & Shareholders' Equity	$ 163,266,000	$ 139,065,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.48	12.04
%Net Income to Sales	11.93	7.42
%Net Income to Equity	29.22	19.32
Sales to Inventories	3.53	3.43
Debt to Equity	0.09	0.19
Working Capital	$ 88,677,000	$ 60,284,000
Current Ratio	4.26	2.77
Shareholders' Equity	$ 128,652,000	$ 97,186,000

Oshman's Sporting Goods, Inc.

2302 Maxwell Lane
Houston, Texas 77023
(713) 928-3171
FAX: (713) 928-7122

Officers: Jeanette Oshman Efron, chairman of the board; Alvin N. Lubetkin, vice chairman of the board, chief exec. officer & chairman exec. committee; Joe D. Nanny, sr. v.p.; Charles Rosemond, sr. v.p.; Edward R. Carlin, exec. v.p. & chief financial officer; Allan Lisse, v.p.; A. Lynn Boerner, v.p.; T. Marshall Wilkes, Jr., v.p.; Richard L. Bockart, v.p.; Thomas Queret, corp. controller.

Directors: Jeanette Oshman Efron, chairman; Alvin N. Lubetkin*, Marvin Aronowitz*, Fred M. Gerson, Richard L. Bockart*, Paul Stoffel, Judy O. Margolis, Marilyn O. Lubetkin, Edward R. Carlin*, Gerald W. Bodzy, Dolph B. H. Simon, , * Member of the Executive Committee.

* Member of the Executive Committee

Business Activities: Operates 193 retail sporting goods specialty stores offering sporting goods equipment and sportswear in 15 states under the Oshman's, Honsport, and SuperSports USA names. Seventy-one of these stores are located in California and 58 are located in Texas. The Company also sells athletic equipment and uniforms to schools and amateur and professional teams.

Transfer Agent(s):

Ameritrust Texas N.A.
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: OSHM (NASDAQ)

Number of Stores: (at fiscal year end)

1990	193	1987	215
1989	193	1986	209
1988	213		

Sales & Earnings

	Net Sales	Net Income
1990*	$ 317,197,000	$ (580,000)
1989	304,551,000	20,120,000
1988	332,700,000	3,585,000
1987	322,900,000	2,664,000
1986	312,261,000	8,536,000

	No. of Com. Shares #	Earn. per Share #
1990*	5,778,000	$ —
1989	5,892,000	3.41
1988	5,901,000	0.61
1987	5,885,000	0.45
1986	6,105,000	1.40

(Loss)
* 53 weeks.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.70	—	—
1988	0.20	—	—
1987	0.20	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 81,232,000	$ 14.04
1989	82,752,000	14.34
1988	66,195,000	11.47
1987	63,747,000	10.91
1986	62,938,000	10.62

Income Account *
(000's)

Year ended	2/3/90	1/28/89
Net sales	$ 317,197	$ 304,551
Cost of sales	205,277	192,867
Expenses	110,926	102,601
Interest expense	2,300	2,290
Other expense (income)	162	(998)
Gain on sale of Abercrombie & Fitch	—	(20,951)
Inc. (loss) bef. taxes	$ (1,468)	$ 28,742
Income taxes (credit)	(888)	10,234
Cum. effect of acct. change	—	(1,612)
Net Income (Loss)	$ (580)	$ 20,120

* Included in Costs and Expenses, Depreciation and Amortization: $5,992,000 in 1989 and $5,272,000 in 1988.

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 6,264	$ 21,568
Accts. receiv., net	4,353	4,552
*Inventories	100,778	80,498
Prepaid expenses	4,528	5,107
Current Assets	$ 115,923	$ 111,725
#Fixed assets	37,199	36,394
Other assets	176	197
Total Assets	$ 153,298	$ 148,316

Liabilities
(000's)

Long-term debt, curr.	$ 3,715	$ 3,710
Accts. payable	37,031	27,087
Accruals	13,918	12,474
Income taxes	469	599
Curr. Liabilities	$ 55,133	$ 43,870

Long-term debt		12,550		17,765
Deferred inc. taxes		4,383		3,929
+Common stock		5,786		5,772
Add. paid-in capital		3,299		3,098
Retained earnings		72,147		73,882
Total Liabilities & Shareholders Equity	$	153,298	$	148,316

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		—		9.44
%Net Income to Sales		—		6.61
%Net Income to Equity		—		24.31
Sales to Inventories		3.15		3.78
Debt to Equity		0.20		0.26
Working Capital	$	60,790,000	$	67,855,000
Current Ratio		2.10		2.55
Shareholders' Equity	$	81,232,000	$	82,752,000

Pacific Enterprises

(formerly Pacific Lighting Corporation)

801 South Grand Avenue
Los Angeles, California 90017
(213) 895-5000
FAX: (213) 629-1225

Officers: James R. Ukropina, chairman of the board & chief executive officer; Lloyd A. Levitin, exec. v.p.; Willis B. Wood, Jr., exec. v.p.; Leslie E. LoBaugh, Jr., v.p. & general counsel; Stanley A. Ratzlaff, v.p. & controller; Paul A. Williams, II, v.p. & treasurer; William L. Cole, v.p.; J. Patrick Garner, v.p.; Charles F. Weiss, v.p. & chief administrative officer; J. Foster Hames, vice president; Debra A. Gastler, vice president; Thomas H. Kenney, corporate secretary.

Directors: Paul A. Miller, chairman; Hyla H. Bertea, James F. Dickason, Robert R. Dockson, Ignacio E. Lozano, Jr., Joseph N. Mitchell, Joseph R. Rensch, Rocco C. Siciliano, William F. Smith, Leonard H. Straus, James R. Ukropina, Daniel G. Volkmann, Jr., Diana L. Walker, James H. Zumberge, Willis B. Wood, Jr..

Business Activities: A holding company whose subsidiaries are involved in the operation of a natural gas distribution utility, specialty retailing, oil and gas exploration and production, interstate and offshore natural gas transmission, alternate energy, and financial services, including leasing of equipment.

Through its Thrifty Corporation subsidiary, the Company operates a chain of drug and discount stores in the Pacific region under the names "Thrifty Drug and Discount Stores," "Thrifty Jr.," "Pay'n Save" and "Bi-Mart." Also operates sporting goods stores under the names "Big 5," "MC Sporting Goods," "Gart Bros.," "Brown's," "Dave Cook Sporting Goods," and "Casey's Sporting Goods" in California, Nevada, Colorado, Michigan, Utah, Illinois, Ohio, Missouri, Indiana, Iowa, Ohio, Wyoming and Washington.

Retail Subsidiaries:

Thrifty Corporation
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

FTM Sports Corporation
12118 S.W. 117th Court
Miami, Florida 33186
(305) 255-2272

P.O. Box 165203
Miami, Florida 33116
(800) 292-5589

Gart Bros. Sporting Goods Company
1000 Broadway
Denver, Colorado 80203
(303) 861-1122

Michigan Sporting Goods Distributors, Inc.
2740 29th Street, S.E.
Grand Rapids, Michigan 49508
(616) 942-2600

Rexall Square Drugs, Inc.
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

The Newman Importing Company, Inc.
5500 West Jefferson Boulevard
Los Angeles, California 90016
(213) 935-7600

United Merchandising Corporation
1440 Ocean Gate Avenue
Hawthorne, California 90250
(213) 772-2772

Pay'n Save Group
(Pay'n Save Stores Inc., Pay'n Save Drugs Inc., The Bi-Mart Company)
Seattle, Washington

Operate 110 Pay'n Save drug stores and 37 Bi-Mart general merchandise stores in eight western states, including Alaska and Hawaii. All of the 37 Bi-Mart stores are located in Washington and Oregon, and 76 of the Pay'n Save drug stores are located in Washington.

Transfer Agent(s):

Pacific Enterprises
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: PET

Number of Stores: (at fiscal year end)

	Drug and Discount	Sporting Goods
1989	809	256
1988	806	233
1987	641	160
1986	594	118
1985	555	86

Sales & Earnings

		Revenues + (000's)		Net Income (000's)
1989	$	6,762,000	$	211,000
1988		5,932,000		222,000
1987		5,377,000		251,000
1986		5,367,000		84,000
1985		6,524,000		181,000

	No. of Com. Shares ‡		Earn. per Share ‡
1989	64,907,000	$	3.05
1988	61,634,000		3.51
1987	59,304,000		4.14
1986	58,103,000		1.34
1985	55,551,000		3.25

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

		1989		1988
Utility	$	3,266,000	$	3,214,000
Retailing		3,114,000		2,400,000
Oil & gas exploration		284,000		215,000
Other		98,000		103,000
Total	$	6,762,000	$	5,932,000

Common Stock

		Cash Dividend	Stock Dividend	Stock Split
1989	$	3.48	—	—
1988		3.48	—	—
1987		3.48	—	—
1986		3.48	—	—
1985		3.36	—	—

Common Stock Equity

		Total Equity † (000's)		Equity Per Share ‡
1989	$	1,911,000	$	29.44
1988		1,814,000		29.43
1987		1,612,000		27.18
1986		1,547,000		26.63
1985		1,559,000		28.07

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Dec. 31		1989		1988
Revenues	$	6,762,000	$	5,932,000
Other income		35,000		47,000
Total income	$	6,797,000	$	5,979,000
Cost of sales		4,016,000		3,411,000
Expenses		1,719,000		1,532,000
Depreciation, depletion & amortization		352,000		311,000
Franchise payments		103,000		102,000
Interest expense		239,000		213,000
Preferred div. of a subsid.		7,000		7,000
Income before taxes	$	361,000	$	403,000
Income taxes		150,000		181,000
Net Income	$	211,000	$	222,000

Assets
(000's)

As of Dec. 31		1989		1988
Cash & short-term invest.	$	309,000	$	158,000
Accts. receiv., net		584,000		615,000
Accts. & notes receiv.		56,000		72,000
Deferred inc. taxes		8,000		54,000
*Inventories		973,000		990,000
Regulatory balancing accts.		7,000		—
Prepaid expenses		141,000		35,000
Current Assets	$	2,158,000	$	1,924,000
Investments		62,000		76,000
Long-term notes receiv.		75,000		89,000
#Fixed assets		4,479,000		4,280,000
Other assets		552,000		497,000
Total Assets	$	7,326,000	$	6,866,000

Liabilities
(000's)

Short-term debt	$	637,000	$	575,000
Long-term debt, curr.		49,000		81,000
Accts. payable		1,178,000		945,000
Accrued taxes		9,000		139,000
Regulatory bal. accts.		—		70,000
Accrued interest		75,000		111,000
Other current liabilities		174,000		153,000
Curr. Liabilities	$	2,122,000	$	2,074,000

Long-term debt	1,567,000	1,779,000
Cap. lease oblig.	77,000	107,000
Debt of empl. stock plan	172,000	31,000
Deferred inc. taxes	586,000	553,000
Deferred invest. credit	88,000	92,000
Other deferred credits	415,000	226,000
Preferred stocks of subsid.	130,000	80,000
+Remarketed preferred stock	148,000	—
+Preferred stock	110,000	110,000
+Common stock	1,331,000	1,066,000
Retained earnings	752,000	779,000
Deferred comp. rel. to emp. stock owner. plan	(172,000)	(31,000)
Total Liabilities & Shareholders' Equity	$ 7,326,000	$ 6,866,000

* At LIFO cost, which is lower than market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.34	6.79
%Net Income to Sales	3.12	3.74
%Net Income to Equity	9.73	11.54
Debt to Equity	1.15	1.34
Working Capital	$ 36,000,000	—
Current Ratio	1.02	—
Shareholders' Equity	$ 2,169,000,000	$ 1,924,000,000

Paul Harris Stores, Inc.

6003 Guion Road
P.O. Box 68162
Indianapolis, Indiana 46268
(317) 293-3900
FAX: (317) 298-6940

Officers: Gerald Paul, chairman & chief executive officer; David R. Bomberger, president & chief operating officer; Charles A. Lang, sr. v.p.-finance & treasurer; Howard W. Barnett, sr. v.p.-real estate; Russell Frankel, v.p.-stores planning & construction; Cynthia Harriss, sr. v.p. & dir.-stores; Dale Ball, v.p.-technology; Daniel Caspersen, v.p.-human resources; Thomas S. Yeo, v.p.-merchandising, Paul Harris Ready to Wear; William L. Lawrence, Jr., v.p., controller & secretary; Eloise Paul, v.p.-merchandising, Pasta; T. Michael Martin, v.p.-product services; Richard Smithson, v.p.-merchandising; John O'Sullivan, v.p.-distribution; G. Kermit Wilfon, v.p.-marketing; Robert Bishop, v.p.-planning; C. Benjamin Dutton, asst. secretary.

Directors: Earl Harris, Gerald Paul, Eugene L. Step, David R. Bomberger, Irwin Katz, J. James Gordon, Klaus Eppler, Elizabeth Kraft, Donald Tanselle.

Business Activities: Operates 263 retail clothing stores primarily for the fashion-conscious woman in the 18 to 35 age group, in 36 states and the District of Columbia, under the name "Paul Harris." Also operates 49 discount clothing stores for men and women under the name "The $5-$10-$15-$20 Place" and 73 sportswear retail stores for women under the name "Pasta."

Subsidiaries:

Paul Harris of Virginia, Inc.
PH Trucking of Virginia
Tipton Trading Co., LTD
Sibmas, LTD
Orville, LTD
PAHA
Classic Advertising, Inc.

Transfer Agent(s):

Merchants National Bank
One Merchants Plaza
Indianapolis, Indiana 46277

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PHRS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	385
1988	389
1987	347
1986	273
1985	223

Sales & Earnings

	Net Sales	Net Income
1990	$ 235,978,000	$ 1,939,000
1989	194,877,000	(5,641,000)
1988	190,242,000	4,750,000
1987	160,966,000	6,157,000
1986	125,864,000	4,757,000

	No. of Com. Shares +	Earn. Per Share +
1990	9,123,000	$ 0.21
1989	9,073,000	—
1988	9,141,000	0.52
1987	9,068,000	0.68
1986	8,288,000	0.57

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	3-for-2
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 47,192,000	$ 5.20
1989	45,783,000	5.05
1988	51,417,000	5.68
1987	44,746,000	4.99
1986	37,939,000	4.40

‡ Adjusted to reflect stock splits.

Income Account

Year ended	2/3/90	1/28/89
Net sales	$ 235,978,000	$ 194,877,000
Cost of sales	157,134,000	139,607,000
Expenses	61,715,000	54,229,000
Depreciation & amortization	8,872,000	7,470,000
Interest expense	5,006,000	5,029,000
Inc. (loss) bef. taxes	$ 3,251,000	$ (11,458,000)
Income taxes (credit)	1,312,000	(5,817,000)
Net Income (Loss)	$ 1,939,000	$ (5,641,000)

Assets

As of	2/3/90	1/28/89
Cash & cash equivalents	$ 10,692,000	$ 1,037,000
Accts. receiv., net	907,000	698,000
*Inventories	45,827,000	50,597,000
Inc. taxes receiv.	377,000	6,608,000
Prepaid expenses	2,191,000	2,215,000
Current Assets	$ 59,994,000	$ 61,155,000
#Fixed assets	45,674,000	49,032,000
Other assets	2,310,000	3,344,000
Total Assets	$ 107,978,000	$ 113,531,000

Liabilities

Notes payable	$ —	$ 1,200,000
Long-term debt, curr.	2,875,000	2,480,000
Accts. payable	9,011,000	15,417,000
Accrued payroll	1,543,000	877,000
Accrued interest	893,000	877,000
Other accruals	2,102,000	1,876,000
Income taxes payable	1,167,000	—
Curr. Liabilities	$ 17,591,000	$ 22,727,000
Long-term debt	37,047,000	39,922,000
Deferred inc. taxes	2,225,000	2,637,000
Other liabilities	3,923,000	2,462,000
+Common stock	14,019,000	14,684,000
++Class B Common stock	140,000	142,000
Add. paid-in capital	5,510,000	5,373,000
Retained earnings	27,523,000	25,584,000
Total Liabilities & Shareholders' Equity	$ 107,978,000	$ 113,531,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
++ No par value; $0.067 stated value.

Statistical Summary

%Income bef. Taxes to Sales	1.38	—
%Net Income to Sales	0.82	—
%Net Income to Equity	4.11	—
Sales to Inventories	5.15	3.85
Debt to Equity	0.85	0.95
Working Capital	$ 42,403,000	$ 38,428,000
Current Ratio	3.41	2.69
Shareholders' Equity	$ 47,192,000	$ 45,783,000

Pay'n Save Inc.

(On 6/29/88, the Company sold its retail operations to Thrifty Corporation)

1511 Sixth Avenue
Seattle, Washington 98101
(206) 621-6938
FAX: (206) 621-3605

Officers: James M. Jacobson, president & chief executive officer; Sandra E. Stuen, chief financial & accounting officer, v.p., secretary & treasurer.

Directors: William Zimmerman, chairman of the board; William S. Elkus, James M. Jacobson, Kenneth D. Moelis, Eddie Trump, James M. Lieb, Gerald Nathanson.

Business Activities: The Company intends, in order that it does not become an "investment company" within the meaning of the Investment Company Act of 1940, to acquire new assets or operating businesses within one year of completion of the Asset Sale.

Transfer Agent(s):

Ameritrust
P.O. Box 2320
Dallas, Texas 75221-2320

Stock Exchange(s): Over-the-Counter

Number of Stores:* (at fiscal year end)

1989	--
1988	--
1987	146
1985	132
1984	132

* Drugstores only.
NOTE: On June 29, 1988, the net assets of the entire retail operations of Pay'n Save were sold to Thrifty Corporation for stock in Pacific Enterprises, the parent company of Thrifty. As presently constituted, the Company's principal source of revenue is dividends received from Pacific Enterprises common stock.

Sales & Earnings

	Net Sales	Net Income †
10/28/89	—	$ (11,156,000)
10/29/88	—	(133,666,000)
10/31/87	—	(26,828,000)
11/1/86	—	(49,363,000)
11/2/85+	—	(17,893,000)

	No. of Com. Shares	Earn. per Share ‡
10/28/89	19,473,728	$ —
10/29/88	19,473,728	—
10/31/87	18,693,668	—
11/1/86	17,250,000	—
11/2/85+	14,000,000	—

(Loss)
+ Pay'n Save & Bi-Mart subsequent to SSC acquisition.
† Including extraordinary gain of $6,568,000 in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
10/28/89	$ (52,429,000)	$ —
10/29/88	(69,250,000)	—
10/31/87	86,078,000	4.60
11/1/86	103,503,000	6.00
11/2/85	105,000,000	7.50

(Deficiency)

Income Account
(000's)

Year ended	10/28/89	10/29/88
Investment income	$ 18,474	$ 7,189
Expenses	516	626
Interest expense	29,114	31,729
Loss - cont. oper.	$ (11,156)	$ (25,166)
Loss - discont. oper.	—	(115,068)
Net Loss	$ (11,156)	$ (140,234)
Extraord. gain	—	6,568
Net Loss & extraord. gain	$ (11,156)	$ (133,666)

Assets
(000's)

As of	10/28/89	10/29/88
Cash & short-term invest.	$ 5,392	$ 4,835
Dividends receivable	4,532	4,529
Current Assets	$ 9,924	$ 9,364
Invest. in Pacific Enter.:		
Common Stock	231,622	203,646
Deferred debt issue costs	8,657	9,612
Total Assets	$ 250,203	$ 222,622

Liabilities
(000's)

Notes payable	$ 11,000	$ —
Accts. payable	2,700	3,370
Accrued interest	8,299	8,020
Curr. Liabilities	$ 21,999	$ 11,390
Long-term debt	280,633	280,482
+Common stock	19,474	19,474
Add. paid-in capital	149,110	149,110
Retained earnings (def.)	(221,013)	(209,857)
Unreal. loss on Pacific Enter. common stock	—	(27,977)
Total Liabilities & Shareholders' Equity	$ 250,203	$ 222,622

# Less accumulated depreciation and amortization
+ $1 par value.

Payless Cashways, Inc.

(Went private via a leveraged buyout on October 7, 1988.)

2 Pershing Square, 2300 Main
P.O. Box 419466
Kansas City, Missouri 64141-0466
(816) 234-6000
FAX: (816) 234-6996

Officers: David Stanley, chairman & chief executive officer; Harold Cohen, vice chairman; Larry P. Kunz, president & chief operating officer; Jay A. Lentz, sr. v.p.-human resources; Stephen A. Lightstone, sr. v.p.-finance & chief financial officer/treasurer; Gerald M. Buchen, v.p.-merchandising/lumberyard; Stanely K. Boyd, sr. v.p.-store operations; Susan Stanton, sr. v.p.-merchandising; David O'-Halloran, sr. v.p.-information systems & services; Linda J. French, v.p.-general counsel/secretary; David J. Krumbholz, v.p.-midwestern region; John Fischer, v.p.-western region; Roger L. Weverka, v.p.-southern region; Kristan R. Maynard, v.p.-eastern region; Richard G. Luse, v.p.-controller; Steven J. Porter, v.p.-merchandising/hardware; John J. White, v.p.-distribution & transportation; John W. Zalonis, v.p.-merchandising/showroom; Melvin Cohen, co-chairman & chief exec. officer-Somerville lumber.

Directors: David Stanley, Harold Cohen, Larry P. Kunz, Gary D. Rose, Stephen M. Wolf, Wayne B. Lyon, Peter A. Mindnich, Scott G. Fossel.

Business Activities: Full-line building materials specialty retailer concentrating its sales efforts on the do-it-yourself market. Operates 195 retail stores in 26 states located in the Midwest, Southwest, Pacific Coast and New England areas under the names of Payless Cashways Building Materials, Furrow Building Materials, Lumberjack Building Materials, Hugh M. Woods Building Materials, Somerville Lumber, and Knox Lumber.

Subsidiaries:

Somerville Lumber and Supply Co., Inc.
Boston, Massachusetts

Knox Home Centers, Inc.
St. Paul, Minnesota

Operates building materials retail stores in Minnesota, Montana, North Dakota, and South Dakota.

Number of Stores: (at fiscal year end)

11/25/89	195	7/30/88	194
11/26/88	195	11/28/87	181

Sales & Earnings

	Net Sales	Net Income #
11/25/89	$ 2,004,123,000	$ (32,432,000)
11/26/88•	636,265,000	(17,016,000)
7/30/88x	1,276,423,000	14,023,000
11/28/87	1,768,130,000	28,101,000

	No. of Com. Shares ‡	Earn. per Share #‡
1'/28/89	6,983,000	$ —
1 /26/88•	6,983,000	—
7/3 /88x	33,661,000	0.42
11/28/87	34,588,000	0.81

NOTE: On June 30, 1988, Payless Cashways and PCI Acquisition Corp., a newly formed corporation organized solely for the purpose of effecting the acquisition of the Company, entered into a plan of merger. The merger was approved on October 7, 1988. The periods ending Nov. 25, 1989 and Nov. 26, 1988 are post-acquisition.
(Loss)
• 17 weeks.
x 35 weeks.
# Including extraordinary losses of $3,152,000 in 1989 and $8,825,000 ($0.26 per share) in the period ending 7/30/88.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1989	1988	1987
Lumberyard	44 %	43 %	44 %
Hardware	35	36	35
Showroom	21	21	21
Total	100 %	100 %	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
11/25/89	$ —	—	—
11/26/88	—	—	—
7/30/88	0.12	—	—
11/28/87	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
11/25/89	$ 18,443,000 #	$ 2.64
11/26/88	57,553,000 #	8.24
7/30/88	389,352,000	11.57
11/28/87	379,350,000	10.97

After allowing for preferred stock at redemption value.
‡ Based on the weighted average number of shares outstanding.

Income Account
(000's)

Year ended	11/25/89 (17 weeks)	11/26/88
Net sales	$ 2,004,123	$ 636,265
Other income	2,411	1,103
Total income	$ 2,006,534	$ 637,368
Cost of sales	1,398,342	448,498
Expenses	440,030	136,610
Depreciation & amortization	60,233	20,151
Interest expense	155,930	56,783
Loss bef. taxes	$ (48,001)	$ (24,674)
Tax credit	(18,721)	(7,658)
Net Loss	$ (29,280)	$ (17,016)
Extraord. loss	(3,152)	—
Net Loss & extraord. loss	$ (32,432)	$ (17,016)

Assets
(000's)

As of	11/25/89	11/26/88
Cash & cash equiv.	$ 10,479	$ 33,184
Accts. receiv., net	6,385	6,554
•Inventories	341,793	320,308
Prepaid & other assets	20,250	17,338
Refund. inc. taxes	24,536	8,722
Deferred inc. taxes	—	3,893
Current Assets	$ 403,443	$ 389,999
#Fixed assets	550,644	571,483
Other assets	571,286	589,326
Total Assets	$ 1,525,373	$ 1,550,808

Liabilities
(000's)

Bank advances	$ 5,000	$ —
Long-term debt, curr.	32,919	30,758
Accts. payable	134,187	112,801
Accrued payroll	20,448	21,833
Accrued interest	16,414	11,107
Other accruals	41,340	44,063
Income taxes	12,054	20,422
Other taxes	19,091	17,998
Def. inc. taxes	6,733	—
Curr. Liabilities	$ 288,186	$ 258,982

Long-term debt	1,062,874	1,080,713
Deferred inc. taxes	71,582	79,079
Other deferred credits	15,403	12,284
Stock subj. to puts & calls	8,582	3,355
Warrants subj. to puts	19,703	18,242
+Preferred stock	40,600	40,600
++Common stock:		
Class A	32	36
Class B	11	34
Class D	23	—
Add. paid-in capital	69,923	74,499
Retained earnings (deficit)	(51,546)	(17,016)
Total Liabilities & Shareholders' Equity	$ 1,525,373	$ 1,550,808

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; 8% cumulative convertible.
++ $0.01 par value.

Statistical Summary

Sales to Inventories	5.86	1.99
Debt to Equity	18.64	11.32
Working Capital	$ 115,257,000	$ 131,017,000
Current Ratio	1.40	1.51
Shareholders' Equity	$ 59,043,000	$ 98,153,000

Paysaver Catalog/Showrooms, Inc.

98 Lower Westfield Road
Holyoke, Massachusetts 01040-2712
(413) 536-4500

Officers: Mortimer A. Polep, chairman of the board & treasurer; Charles L. Polep, president; James A. Polep, sr. v.p.; William A. Randall, v.p.; Odo Palazzi, v.p.; Michael Gibeau, v.p.; Gerald Shible, v.p.; David A. Shrair, secretary.

Directors: Mortimer A. Polep, Charles L. Polep, James A. Polep, Anne S. Polep, William Randall.

Areas of Work: Operates three catalog/showrooms in western Massachusetts selling jewelry, gifts, photo equipment, stereo components, small appliances, luggage, gifts, toys and home computers. The Company has a limited mail order service and handles limited industrial and bank promotions as well as some wholesale sales.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Boston

Ticker Symbol: PCS

Number of Stores: (at fiscal year end)

1989	3	1986	5
1988	4	1985	5
1987	4		

Sales & Earnings

	Net Sales +	Net Income +
1989	$ 16,494,608	$ (183,577)
1988	16,914,921	139,793
1987	19,655,306	(666,749)
1986	17,805,300	(297,472)
1985	15,667,611	(34,947)

	No. of Com. Shares	Earn. per Share †#
1989	1,418,850	$ —
1988	1,418,850	0.10
1987	1,418,850	—
1986	1,419,450	—
1985	1,423,650	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $11,996 ($0.01 per share) in 1988, $52,074 ($0.04 per share) in 1986 and $56,006 ($0.04 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 1,874,862	$ 1.32
1988	2,058,439	1.45
1987	1,918,646	1.35
1986	2,586,370	1.82
1985	2,888,042	2.03

Based on the weighted average number of shares outstanding.

Income Account *

Year ended	2/25/89	2/27/88
Net sales	$ 16,494,608	$ 16,914,921
Cost of sales	11,867,083	12,432,441
Expenses	4,548,910	4,288,059
Interest expense	251,605	239,225
Abandonment of leasehold improvements	13,304	—
Interest income	(2,717)	—
Loss before taxes	$ (183,577)	$ (44,804)
Income taxes	—	20,454
Cum. effect of accntng. change	(193,055)	—
Net Income (Loss)	$ (183,577)	$ 127,797
Extraord. gain	—	11,996
Net Income (Loss) & extraord. gain	$ (183,577)	$ 139,793

* Included in Costs and Expenses, Depreciation and Amortization: $135,030 in 1989 and $137,680 in 1988.

Assets

As of	2/25/89	2/27/88
Cash	$ (10,837)	$ 67,885
Accts. receiv., net	357,293	357,388
*Inventories	5,219,550	5,059,879
Prepaid expenses	174,682	233,874
Current Assets	$ 5,740,688	$ 5,719,026
#Fixed assets	473,422	487,225
Deferred legal fees	20,188	5,889
Total Assets	$ 6,234,298	$ 6,212,140

Liabilities

Notes payable	$ 900,000	$ 2,109,778
Accts. payable & accruals	1,512,323	1,789,083
Inc. taxes payable	—	7,191
Other taxes	63,780	31,168
Curr. Liabilities	$ 2,476,103	$ 3,937,220
Long-term debt	1,883,333	216,481
+Common stock	52,000	52,000
Add. paid-in capital	889,738	889,738
Retained earnings	994,873	1,178,450
Treasury stock	(61,749)	(61,749)
Total Liabilities & Shareholders' Equity	$ 6,234,298	$ 6,212,140

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

Statistical Summary

%Net Income to Sales	—	0.76
%Net Income to Equity	—	6.21
Sales to Inventories	3.16	3.34
Debt to Equity	1.48	1.13
Working Capital	$ 3,264,585	$ 1,781,806
Current Ratio	2.32	1.45
Shareholders' Equity	$ 1,874,862	$ 2,058,439

The Penn Traffic Company

319 Washington Street
Johnstown, Pennsylvania 15901
(814) 536-9900
FAX: (814) 536-9926

(53%-owned by Riverside Acquisition Company, Limited Partnership, an affiliate of Miller Tabak Hirsch + Co.)

Officers: Gary D. Hirsch, chairman; Claude J. Incaudo, president & chief executive officer; Robert A. Allen, vice president; John C. Guzzo, v.p.-management information systems; Raymond J. Heath, vice president; Rollin J. Reading, Jr., vice president; John E. Josephson, v.p.; John M. Kriak, v.p., secretary, treasurer & chief financial officer; John F. Stewart, controller, asst. secretary, asst. treasurer & chief accounting officer; W. Perry Bocchini, asst. corp. controller.

Directors: Guido Malacarne, Gary D. Hirsch, Eugene A. DePalma, Richard D. Segal, Claude J. Incaudo, Harold Poster.

Business Activities: The company has three business units: The originally-acquired company, Penn Traffic (RDQ); P&C Food Markets, Inc. (P&C); and Big Bear Stores Company (Big Bear). These operations are regionally-based retail and wholesale food distribution companies which conduct business primarily in suburban and exurban communities of upstate New York, western Pennsylvania, central Ohio and northwestern West Virginia.

Divisions and Subsidiaries:

Sani-Dairy Division
Johnstown, Pennsylvania
Processess and distributes dairy products.

Riverside Supermarket Division
DuBois, Pennsylvania

Quality Markets, Inc.
101 Jackson Avenue N. E.
Jamestown, New York 14701
(716) 664-6010

Big Bear, Inc.
770 West Goodale Boulevard
Columbus, Ohio 43212
(614) 464-6500

P & C Foods, Inc.
Syracuse, New York

Transfer Agent(s):

Pittsburgh National Bank
Fifth Avenue & Wood Street
Pittsburgh, Pennsylvania 15222

Stock Exchange(s): American

Ticker Symbol: PNF

Number of Stores:

	Supermarkets	Dept. Stores
1990	301	31
1989	216	31
1988	63	—
1987	64	—
1986	50	—

	Supermkt./Dept.
1990	4
1989	4
1988	—
1987	—
1986	—

Sales & Earnings

	Net Sales ‡	Net Income
1990*	$ 2,699,847,000	$ (29,151,000)
1989	1,179,924,000	(8,430,000)
1988	625,208,000	616,000
1987	547,991,000	7,300,000
1986	510,479,000	6,567,000

	No. of Com. Shares #	Earn. per Share #
1990*	5,239,539	$ —
1989	4,132,194	—
1988	2,636,700	0.06
1987	4,148,967	1.76
1986	4,140,852	1.59

(Loss)
* 53 weeks.
‡ Including leased departments and service fees.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Retail food distribution	$ 2,219,559	$ 903,383
Wholesale food distribution	480,288	276,541
Total	$ 2,699,847	$ 1,179,924

Common Stock

	Cash # Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	—	—	—
1987	0.66	—	2-for-1
1986	0.60	—	—

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1990	$ 5,863,000	$ 1.12
1989	32,032,000	7.75
1988	8,682,000	3.29
1987	62,321,000	15.02
1986	57,903,000	13.98

# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 2,699,847	$ 1,179,924
Other income	25,629	14,543
Total income	$ 2,725,476	$ 1,194,467
Cost of sales	2,202,754	973,626
Expenses	432,650	179,998
Interest expense	106,873	42,711
Acq. fin. costs	12,345	9,044
Loss bef. taxes	$ (29,146)	$ (10,912)
Tax credit	(7,911)	(2,482)
Eq. in loss of Grand Union	7,916	—
Net Loss	$ (29,151)	$ (8,430)

* Included in Costs and Expenses, Depreciation and Amortization: $43,970,000 in 1990 and $18,421,000 in 1988.

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 39,763	$ 42,072
Accts. & notes receiv., net	37,867	25,005
*Inventories	243,008	118,587
Inc. tax receiv.	16,925	9,132
Prepaid expenses	13,102	6,358
Current Assets	$ 350,665	$ 201,154
†Oblig. under cap. lease	62,930	37,157
#Fixed assets	402,886	241,534
Other assets	391,814	263,466
Total Assets	$ 1,208,295	$ 743,311

Liabilities
(000's)

Notes payable	$ 300	$ 175
Long-term debt, curr.	11,787	6,347
Cap. lease oblig., curr.	5,597	4,006
Accts. payable	166,740	94,348
Accrued payroll	46,585	20,702
Accrued interest	19,562	12,950
Accrued emp. benefits	6,467	3,236
Taxes	14,484	4,933
Curr. Liabilities	$ 271,522	$ 146,697
Cap. lease oblig.	57,564	32,614
Long-term debt	807,689	490,634
Deferred inc. taxes	10,987	5,174
Other liab.	13,590	9,710
Redeem pref. stock	41,080	26,450
+Common stock	6,945	6,417
Add. paid in capital	38,493	34,156
Retained earnings (deficit)	(39,575)	(8,541)
Total Liabilities & Shareholders' Equity	$ 1,208,295	$ 743,311

* At lower of cost (FIFO) or market. Supermarket inventories stated at LIFO.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $1.25 par value.

Statistical Summary

Sales to Inventories	11.11	9.95
Debt to Equity	—	17.60
Working Capital	$ 79,143,000	$ 54,457,000
Current Ratio	1.29	1.37
Shareholders' Equity	$ 5,863,000	$ 32,032,000

J.C. Penney Company, Inc.

14841 North Dallas Parkway
Dallas, Texas 75240-6760
(214) 591-1000
FAX: (214) 591-2808

Mailing Address:
P.O. Box 659000
Dallas, Texas 75265-9000

Officers: William R. Howell, chairman of the board; Robert B. Gill, vice chairman; Terry S. Prindiville, exec. v.p.; James E. Oesterreicher, exec. v.p. & dir.-J.C. Penney Stores; W. Barger Tygart, exec. v.p. & director-merchandising; Charles R. Lotter, sr. v.p., secretary & general counsel; Richard T. Erickson, sr. v.p., director of corporate personnel; Robert E. Northam, exec. v.p. & chief financial officer; John A. Wells, sr. v.p., director of real estate & construction services; Robert O. Amick, v.p. & controller; Charles L. Brown, v.p. & director of auditing; James P. Bryant, v.p. & director of corporate taxes; Gale Duff-Bloom, v.p. & director of investor relations; David V. Evans, v.p. & director of systems and data processing; Donald A. McKay, v.p. & treasurer; Joseph J. DeMelio, v.p. & director of insurance; Ted L. Spurlock, v.p. & director of credit and consumer banking services; J.E. Tetirich, v.p. & director of government relations; Robert J. Keller, v.p. & director of construction services; Michael T. Todres, v.p. & director of distribution; C. Kenneth Ogg, v.p. & dir.-operations, services and inventory mgmt. for J.C. Penney Stores; Charles W. Stewart, v.p. & dir.-strategic development for J.C. Penney Stores & Catalog; Rodney M. Birkins, president-J.C. Penney Catalog; Robert B. Cavanaugh, asst. treasurer; Thomas A. Clerkin, asst. treasurer; Robert S. Gorin, asst. secretary & asst. general counsel; William J. Alcorn, asst. controller; M. Christopher Sears, Leo A. Gispanski, asst. controller; Frank J. Bonet, asst. secretary; Cornelius T. Dorans, asst. secretary; John V. Faltermeier, asst. secretary; Margaret R. Johnson, asst. secretary; Richard M. Kleid, asst. secretary.

Directors: William M. Ellinghaus, William R. Howell, Boris Yavitz, Walter B. Wriston, Clifton C. Garvin, Jr., Vernon E. Jordan, Jr., Juanita M. Kreps, Jane C. Pfeiffer, Colby H. Chandler, Robert B. Gill, Joseph D. Williams, George Nigh, M. Anthony Burns.

Business Activities: Operates a nationwide chain of department stores including catalog operations under the J.C. Penney name. Full-line Penney stores sell lines of apparel, home and automotive merchandise; soft-line Penney stores sell principally apparel and household textile merchandise. Also operates a chain of Thrift Drug and The Treasury Drug Center stores and conducts consumer financial services.

Subsidiaries:

J.C. Penney Properties, Inc.
J.C. Penney Financial Corporation
J.C. Penney Casualty Insurance Company
J.C. Penney Life Insurance Company
Great American Reserve Insurance Company (96.8% owned)
J.C. Penney Investors Services, Inc.
JCP Realty Inc.
J.C. Penney International Finance Corporation
J.C. Penney International, Inc.
J.C. Penney Overseas Finance N.V.
J.C. Penney National Bank

Transfer Agent(s):

J.C. Penney Company, Inc.
Securityholder Services
Pittsburgh Accounting Center
P.O. Box 407
Pittsburgh, Pennsylvania 15230

Registrar and Transfer Co.
61 Broadway, Room 1412
New York, New York 10006

Stock Exchange(s): New York, Brussels, Antwerp

Ticker Symbol: JCP

Number of Stores: (at fiscal year end)

	Penney Stores	Catalog Centers
1989	1,328	1,971
1988	1,355	1,879
1987	1,378	1,837
1986	1,403	1,825
1985	1,482	1,739

	Drug Stores	Belgian Stores
1989	471	-
1988	434	—
1987	407	52
1986	390	53
1985	374	53

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1989	$ 16,103,000	$ 802,000
1988	14,833,000	807,000
1987	15,332,000	608,000
1986	14,740,000	530,000
1985	13,747,000	397,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	122,000,000	$ 6.31
1988	131,000,000	6.02
1987	148,000,000	4.11
1986	150,000,000	3.19
1985	150,000,000	2.66

+ Of continuing operations only.
† Including extraordinary loss of $52,000,000 ($0.34 per share) in 1986.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
J. C. Penney Stores	$ 14,469,000	$ 13,364,000
Catalog	3,205,000	2,918,000
Drug stores	987,000	882,000
Intracompany elim.	(2,558,000)	(2,331,000)
Total	$ 16,103,000	$ 14,833,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 2.24	—	—
1988	2.00	—	—
1987	1.48	—	2-for-1
1986	1.24	—	—
1985	1.18	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1989	$ 4,268,000 ‡	$ 36.17
1988	3,919,000 ‡	32.18
1987	4,173,000	30.15
1986	4,340,000	29.00
1985	4,051,000	27.16

‡ After allowing for preferred stock purchased through a leveraged employee stock ownership plan after deducting for borrowings by the LESOP.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/27/90	1/28/89
Net sales	$ 16,103,000	$ 14,833,000
Other income	302,000	463,000
Total income	$ 16,405,000	$ 15,296,000
Cost of sales	10,492,000	9,717,000
Expenses	4,129,000	3,815,000
Exp. of other businesses	279,000	487,000
Interest expense	303,000	307,000
Nonrecurring items	32,000	(222,000)
Income bef. taxes	$ 1,170,000	$ 1,192,000
Income taxes	368,000	385,000
Net Income	$ 802,000	$ 807,000

* Included in Costs and Expenses, Depreciation and Amortization: $275,000,000 in 1989 and $258,000,000 in 1988.

Assets
(000's)

As of	1/27/90	1/28/89
Cash	$ 408,000	$ 670,000
Accts. receiv., net	4,353,000	4,233,000
*Inventories	2,613,000	2,201,000
Prepaid expenses	165,000	142,000
Current Assets	$ 7,539,000	$ 7,246,000
#Fixed assets	3,237,000	3,034,000
Other assets	1,922,000	1,974,000
Total Assets	$ 12,698,000	$ 12,254,000

Liabilities
(000's)

Long-term debt, curr.	$ 164,000	$ 244,000
Short-term debt	1,288,000	756,000
Accts. payable and accruals	1,794,000	1,666,000
Deferred taxes	154,000	119,000
Curr. liabilities	$ 3,400,000	$ 2,785,000
Long-term debt	2,755,000	3,064,000
Deferred taxes	1,124,000	1,346,000
Other liabilities	1,066,000	1,102,000
+Preferred stock	704,000	706,000
Guaranteed LESOP oblig.	(619,000)	(668,000)
++Common stock	865,000	862,000
Reinvested earnings	3,403,000	3,057,000
Total Liabilities & Shareholders' Equity	$ 12,698,000	$ 12,254,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value; 7.9% LESOP convertible.
++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.27	8.04
%Net Income to Sales	4.98	5.44
%Net Income to Equity	18.42	20.39
Sales to Inventories	6.16	6.74
Debt to Equity	0.97	1.02
Working Capital	$ 4,139,000,000	$ 4,461,000,000
Current Ratio	2.22	2.60
Shareholders' Equity	$ 4,353,000,000	$ 3,957,000,000

Pennington's Stores Limited

5101 Orbitor Drive
Mississauga, Ontario L4W 4V1, Canada
(416) 629-3500
FAX: (416) 629-9665

Officers: William Drevnig, chairman emeritus; Sol Armel, president and chief exec. officer; Emanuel Asher, exec. v.p.; William Farewell, v.p.-finance & treasurer; Martin Kovnats, secretary; Rhea Girard, v.p.-administration; Randall Armel, v.p.-Wearhouse Stores Division; Dwight Scudder, v.p.-merchandising.

Directors: Sol Armel, Donald Carr, William Drevnig, William Biggar, Jack Sherman, Mark Vansittart, William Farewell, Emanuel Asher, Jack Gwartz, Theodore Sherman.

Business Activities: Operates retail clothing stores selling large-sized women's apparel in Canada and the U.S. These stores are operated under the names Pennington's Stores (103), Liz Porter Stores (41), and Pennington's Wearhouse Stores (19) in Canada, and Penningtons du Canada Stores (2) in the U.S.

Transfer Agent(s):

Montreal Trust Company of Canada
Canada

Stock Exchange(s): Toronto

Ticker Symbol: PNS

Number of Stores: (at fiscal year end)

1990	163	1987	163
1989	158	1986	155
1988	179		

Sales & Earnings

	Net Sales #	Net Income
1990*	$ 83,127,218	$ (2,768,589)
1989	82,530,741	3,581,475
1988	N.A.	4,847,269
1987	N.A.	7,566,891
1986	N.A.	6,885,434

	No. of Com. Shares	Earn. per Share +
1990*	4,133,000	$ —
1989	4,133,000	0.87
1988	4,133,000	1.17
1987	4,133,000	1.83
1986	4,131,000	1.67

(Loss)
N.A. - Not Available.
* 53 weeks.
# Of continuing operations only.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.30	—	—
1989	0.40	—	—
1988	0.40	—	—
1987	1.31	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 32,374,253	$ 7.83
1989	36,382,742	8.80
1988	34,454,467	8.34
1987	31,260,398	7.56
1986	29,096,597	7.04

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 83,127,218	$ 82,530,741
Cost of sales & expenses	76,515,528	72,382,036
Depreciation & amortization	2,617,981	2,178,510
Interest expense	1,607,893	204,139
Interest income	(129,859)	(106,479)
Income before taxes	$ 2,515,675	$ 7,872,535
Income taxes	1,050,000	3,553,000
Inc.-cont. oper.	$ 1,465,675	$ 4,319,535
Loss-discont. oper.	(4,234,264)	(738,000)
Net Income (Loss)	$ (2,768,589)	$ 3,581,475

Assets

As of	2/3/90	1/28/89
*Inventories	$ 14,303,361	$ 13,230,693
Income taxes recoverable	1,700,292	1,333,944
Prepaid expenses & sundry assets	1,331,854	1,200,008
Current Assets	$ 17,335,507	$ 15,764,645
Net assets-discont. oper.	—	3,553,039
#Fixed assets	30,817,047	31,464,145
Exc. of cost over assets acq.	947,089	947,089
Total Assets	$ 49,099,643	$ 51,728,918

Liabilities

Long-term debt, curr.	$ 8,353,451	$ 6,866,171
Accts. payable & accruals	7,071,080	7,760,634
Net liab.-discont. oper.	456,488	—
Curr. Liabilities	$ 15,881,019	$ 14,626,805
Deferred inc. taxes	844,371	719,371
+Common stock	343,675	343,675
Retained earnings	32,030,578	36,039,067
Total Liabilities & Shareholders' Equity	$ 49,099,643	$ 51,728,918

* At lower of average cost or market (net realizable value, less normal profit margin.)
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	9.84
Sales to Inventories	5.81	6.24
Debt to Equity	0.26	0.19
Working Capital	$ 1,454,488	$ 1,137,840
Current Ratio	1.09	1.08
Shareholders' Equity	$ 32,374,253	$ 36,382,742

Peoples Jewellers Limited

1440 Don Mills Road
Don Mills, Ontario M3B 3M1, Canada
(416) 441-1515
FAX: (416) 441-1363

Officers: Bertrand Gerstein, chairman of the board; Marvin Gerstein, vice chairman; Irving R. Gerstein, president & chief executive officer; Richard A. Field, v.p.-real estate; Roger P. Picotte, v.p.-People's Quebec operations; Kenneth N. Nevison, v.p.-operations, Peoples Division; Charles F. Gill, sr. v.p.-finance & administration & secretary; J. Richard Blickstead, sr. v.p.; Bradford G. Chapman, v.p.-finance; Michael M. Clarke, v.p.-merchandising, Peoples Division; Walter E. Thom, v.p.-information services; Susan M. Burns, v.p.-marketing; James Welch, v.p.-consumer credit; Iona E. Kebic, v.p.-merchandising-Mappins Division; Brian C. Land, v.p.-operations, Mappins Division; Donald O. Wood, v.p.-corporate development.

Directors: Bertrand Gerstein, chairman; Irving R. Gerstein, Marvin Gerstein, Henry N. R. Jackman, James Gillies, Charles F. Gill, Nicholas I. White, Howard P. Berkowitz, Leighton W. McCarthy, Anna M. Porter, Michael G. Shulman.

Business Activities: Operates a chain of 279 jewelry stores throughout Canada. Stores operate under the names "Peoples Jewellers," "Mappins," and "MacKenzie's." The Company's 50%-owned subsidiary, Zale Corporation, operates 1,938 jewelry retail locations in all 50 states, Guam and Puerto Rico, under the names "Zale," "Diamond Park Fine Jewelers," "Bailey, Banks & Biddle," "Corrigans," "Granat Bros.," "Slavicks," and 19 other tradenames. In 1989 Zale acquired Gordon Jewelry Corporation. Gordon's contemporary division has 469 stores in 44 states and Puerto Rico; The company's Traditional division, merchandised by Zale's Fine Jewelers Guild, operates 153 stores in 21 states.

Subsidiaries:

Zale Corporation (50% owned)
Irving, Texas
Operates 1,293 retail jewelry stores and leased departments in all 50 states, Guam, and Puerto Rico.

Gordon Jewelry Corporation
820 Fannin Street
Houston, Texas 77002
(713) 222-8080
Operates approximately 615 jewelry stores throughout the U.S. and in Puerto Rico under the names "Gordon's Jewelers," "Daniel's Jewelers," among others.

Transfer Agent(s):

Central Guaranty Trust Company of Canada
Vancouver, Calgary
Regina, Winnipeg
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: Toronto, Montreal

Number of Stores: * (at fiscal year end)

1989	279	1986	296
1988	280	1985	302
1987	286		

* Does not include Zale Corporation or Gordon Jewelry Corporation stores.

Sales & Earnings†

	Net Sales	Net Income +
1990	$ 216,631,000	$ 20,647,000
1989	201,810,000	21,374,000
1988	200,021,000	6,042,000
1987	195,396,000	(18,066,000)
1986	184,837,000	3,036,000

	No. of Com. Shares	Earn. per Share +‡
1990	9,007,625	$ 2.13
1989	9,300,926	2.08
1988*	9,819,726	0.59
1987	10,159,126	—
1986	9,433,401	0.35

(Loss)
† In Canadian dollars.
+ Including extraordinary gains of $3,400,000 ($0.33 per share) in 1989 and $1,000,000 ($0.11 per share) in 1986.
‡ Based on the weighted average number of Class A and common shares outstanding combined.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1990	$ 0.44	—	—
1989	0.40	—	—
1988	0.30	—	—
1987	0.30	—	—
1986	0.30	—	—

† In Canadian dollars.

Common Stock Equity†

	Total Equity ‡	Equity Per Share
1990	$ 139,712,000	$ 15.51
1989	129,942,000	13.97
1988	123,812,000	12.61
1987	113,252,000	11.15
1986	131,984,000	13.99

† In Canadian dollars.
‡ After allowing for preferred stock at stated value.

Income Account†
(000's)

Year ended Mar. 31	1990	1989
Net sales	$ 216,631	$ 201,810
Cost of sales & exp.	185,651	175,195
Depreciation & amortization	7,192	6,475
Interest expense	6,173	4,115
Income before taxes	$ 17,615	$ 16,025
Income taxes	7,500	7,400
Eq. in earn. of Zale Corp.	(10,532)	(9,349)
Net Income	$ 20,647	$ 17,974
Extraord. gain	—	3,400
Net Income & extraord. gain	$ 20,647	$ 21,374

† In Canadian dollars.

Assets†
(000's)

As of Mar. 31	1990	1989
Cash	$ 70	$ 70
Cust. accts. receiv.	25,983	11,807
Accts. receiv., net	7,408	9,796
*Inventories	118,084	120,513
Prepaid expenses	3,082	3,172
Current Assets	$ 154,627	$ 145,358
Loans to employees	11,134	6,862
Investment in Zale Holding	81,627	74,941
#Fixed assets	44,458	40,065
Other assets	7,016	6,747
Total Assets	$ 298,862	$ 273,973

Liabilities
(000's)

Bank indebtedness	$ 64,324	$ 50,361
Long-term debt, curr.	61	61
Accts. payable	8,087	10,622
Income & other taxes	752	1,391
Curr. Liabilities	$ 73,224	$ 62,435
Long-term debt	74,863	74,924
+Pref. stock-Series B	652	1,282
+Pref. stock-Series C	10,411	5,390
+Class A non-voting stock	73,916	76,469
+Common stock	82	82
Retained earnings	66,711	53,258
Currency trans. adj.	(997)	133
Total Liabilities & Shareholders' Equity	$ 298,862	$ 273,973

† In Canadian dollars.
* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	8.13	7.94
% Net Income to Sales	9.53	8.91
% Net Income to Equity	13.69	13.37
Sales to Inventories	1.83	1.67
Debt to Equity	0.92	0.93
Working Capital	$ 81,403,000	$ 82,923,000
Current Ratio	2.11	2.33
Shareholders' Equity	$ 150,775,000	$ 136,614,000

The Pep Boys-Manny, Moe & Jack

3111 West Allegheny Avenue
Philadelphia, Pennsylvania 19132
(215) 229-9000
FAX: (215) 227-8078

The Pep Boys-Manny, Moe & Jack

Officers: Benjamin Strauss, chairman of the board; Mitchell G. Leibovitz, president & chief operating officer; M. James Bryce, sr. v.p.-store operations; Michael J. Holden, sr. v.p.-finance & treasurer; Frederick A. Stampone, sr. v.p.-administration & secretary; Kenneth R. Naish, v.p.-southwestern store operations; Wendel H. Province, sr. v.p.-merchandising; Samuel W. McGarvey, asst. v.p.-management information systems; Thomas R. McSorley, v.p.-southeastern store operations; Bruce E. Chidsey, v.p.-service center operations; Matthew J. Storey, v.p.-eastern store operations; Donald K. Denbo, v.p.-legal & administration; Thomas F. Ruggieri, v.p.-human resources; Joseph A. Cirelli, v.p.-real estate and construction; Robert V. Goodman, v.p.-management information systems; Stuart M. Rosenfeld, v.p.-distribution; Don L. Casey, asst. v.p.-merchandising; Carl F. Gladfelter, v.p.-marketing; Steven L. Needham, asst. v.p.-merchandising; Joseph S. Risch, asst. v.p.-merchandising; Bernard K. McElroy, asst. treasurer.

Directors: Benjamin Strauss, chairman of the board; Edward H. Rosen, Lester Rosenfeld, Walter G. Arader, Henry A. Gladstone, Bernard J. Korman, Mitchell G. Leibovitz, David V. Wachs, Lennox K. Black, Pemberton Hutchinson, Myles H. Tanenbaum.

Business Activities: Operates auto supply and accessory stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, California, the District of Columbia, Arizona, New Mexico, Georgia, Texas and Nevada.

Transfer Agent(s):

American Stock Transfer & Trust Company
99 Wall Street
New York, New York 10055

Stock Exchange(s): New York

Ticker Symbol: PBY

Number of Stores: (at fiscal year end)

1990	281	1987	177
1989	243	1986	159
1988	207		

Sales & Earnings

	Net Sales	Net Income
1990*	$ 798,691,000	$ 35,063,000
1989	655,968,000	42,373,000
1988	553,764,000	34,342,000
1987	485,899,000	28,148,000
1986	388,914,000	21,100,000

	No. of Com. Shares	Earn. per Share +
1990*	55,436,057	$ 0.63
1989	54,653,324	0.76
1988	54,569,420	0.62
1987	18,075,496	0.52
1986	15,704,644	0.43

* 53 weeks.
+ Based on the weighted average number of common shares outstanding after reduction for treasury shares and assuming exercise of dilutive stock options computed by the treasury stock method using the average market price during the period, adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.1075	—	—
1989	0.095	—	—
1988	0.078	—	3-for-1
1987	0.072	—	—
1986	0.065	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 311,754,000	$ 5.62
1989	275,653,000	5.04
1988	237,706,000	4.36
1987	206,178,000	3.80
1986	130,439,000	2.77

+ Adjusted to reflect stock splits.

Income Account

Year ended Jan. 31	1990 (53 weeks)	1989
Net sales	$ 798,691,000	$ 655,968,000
Cost of sales	503,235,000	409,121,000
Expenses	203,434,000	163,907,000
Depreciation & amortization	22,941,000	17,041,000
Other income	(4,097,000)	(5,473,000)
Interest expense	18,054,000	11,182,000
Income before taxes	$ 55,124,000	$ 60,190,000
Income taxes	20,061,000	22,505,000
Cum. effect of acct. change	—	(4,688,000)
Net Income	$ 35,063,000	$ 42,373,000

Assets

As of Jan. 31	1990	1989
Cash	$ 10,953,000	$ 5,034,000
Marketable securities	3,385,000	14,973,000
Accts. receiv., net	1,747,000	2,634,000
*Inventories	163,849,000	117,184,000
Other curr. assets	6,979,000	6,625,000
Current Assets	$ 186,913,000	$ 146,450,000
#Fixed assets	480,597,000	416,108,000
Marketable securities	5,538,000	14,359,000
Other assets	2,982,000	4,887,000
Total Assets	$ 676,030,000	$ 581,804,000

Liabilities

	1990	1989
Long-term debt, curr.	$ 1,305,000	$ 1,148,000
Short-term borrowings	14,000,000	30,250,000
Payable to banks	18,390,000	10,229,000
Accts. payable	58,998,000	41,809,000
Accruals	23,908,000	17,833,000
Inc. taxes payable	152,000	—
Curr. Liabilities	$ 116,753,000	$ 101,269,000
Long-term debt	152,648,000	111,999,000
Defer. inc. taxes	19,875,000	17,883,000
Conv. subord. debentures	75,000,000	75,000,000
+Common stock	55,436,000	54,653,000
Add. paid-in capital	33,962,000	27,686,000
Retained earnings	223,080,000	193,939,000
Treasury stock	(724,000)	(625,000)
Total Liabilites & Shareholders' Equity	$ 676,030,000	$ 581,804,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1990	1989
%Income bef. Taxes to Sales	6.90	9.18
%Net Income to Sales	4.39	6.46
%Net Income to Equity	11.25	15.37
Sales to Inventories	4.87	5.60
Debt to Equity	0.60	0.56
Working Capital	$ 70,160,000	$ 45,181,000
Current Ratio	1.60	1.45
Shareholders' Equity	$ 311,754,000	$ 275,653,000

Perry Drug Stores, Inc.

5400 Perry Drive
P.O. Box 1957
Pontiac, Michigan 48056
(313) 334-1300
FAX: (313) 674-7849

Officers: Jack A. Robinson, chairman of the board & chief executive officer; Jerry E. Stone, chief financial officer; David Schwartz, president & chief operating officer; Gary J. Allen, sr. v.p.-store operations; Michael D. Klein, president-Health Care Division; Kenneth R. Castel, v.p.-human resources; Robert A. Berlow, sr. v.p., secretary & gen. counsel; Robert A. Shapiro, v.p.-pharmacy services; B. Gene Swink, v.p.-distribution; Paul H. Goldsmith, v.p.-real estate, facilities; J. Stuart Newton, v.p.-finance & controller; Joseph P. McCabe, v.p.-loss prevention; Gary M. Stein, asst. v.p.-real estate, property management; William S. Stickel, asst. treasurer; Marsha Katz Eisenberg, asst. secretary & asst. general counsel; Arthur A. Horning, corp. counsel.

Directors: Jack A. Robinson, chairman; Terence E. Adderley, Thomas O. Fox, John A. Bacon, Jr., Claude R. Martin, Jr., Walter J. McCarthy, Jr., David Schwartz, John C. Nicholls, Jr..

Business Activities: Operates a chain of 215 retail drug stores and health care centers in Michigan, Illinois, Wisconsin, and Indiana. Also supplies equipment and surgical products to hospitals and physicians.

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): New York

Ticker Symbol: PDS

Number of Stores: * (at fiscal year end)

1989	215	1986	203
1988	222	1985	191
1987	222		

* Does not include a chain of auto parts stores, which was sold in 1988.

Sales & Earnings

	Net Sales +	Net Income
1989	$ 669,605,000	$ 7,112,000
1988	666,981,000	(29,918,000)
1987	592,857,000	(7,281,000)
1986	530,929,000	5,878,000
1985	427,368,000	9,575,229

	No. of Com. Shares ‡	Earn. per Share ‡
1989	10,201,000	$ 0.70
1988	10,072,000	—
1987	10,031,000	—
1986	9,985,000	0.59
1985	9,809,187	0.98

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1989	1988
Drugstore sales	$ 645,209,000	$ 646,279,000
Health Care sales	24,396,000	20,702,000
Total	$ 669,605,000	$ 666,981,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.22	—	—
1986	0.22	—	—
1985	0.19	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 50,314,000	$ 4.96
1988	42,904,000	4.25
1987	71,936,000	7.17
1986	81,570,000	8.17
1985	76,782,903	7.79

‡ Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1989	1988
Net sales	$ 669,605,000	$ 666,981,000
Cost of sales	479,207,000	492,724,000
Expenses	170,233,000	175,267,000
Interest expense	13,053,000	11,561,000
Inc. (loss) bef. taxes	$ 7,112,000	$ (12,571,000)
Tax credit	—	(4,207,000)
Inc. (loss) - cont. oper.	$ 7,112,000	$ (8,364,000)
Loss - discont. oper.	—	(23,354,000)
Cum. effect of acct. change	—	1,800,000
Net Income (Loss)	$ 7,112,000	$ (29,918,000)

* Included in Costs and Expenses, Depreciation and Amortization: $8,287,000 in 1989 and $9,060,000 in 1988.

Assets

As of Oct. 31	1989	1988
Cash	$ 1,804,000	$ 3,672,000
Accts. receiv., net	23,811,000	19,749,000
*Inventories	124,934,000	134,770,000
Prepaid expenses	4,131,000	4,606,000
Current Assets	$ 154,680,000	$ 162,797,000
#Fixed assets	70,738,000	68,595,000
Intangibles & other assets	27,990,000	28,977,000
Total Assets	$ 253,408,000	$ 260,369,000

Liabilities

Notes payable	$ 18,000,000	$ 19,700,000
Long-term liab., curr.	6,430,000	1,799,000
Accts. payable	51,794,000	63,232,000
Accruals	16,635,000	16,482,000
Curr. Liabilities	$ 92,859,000	$ 101,213,000
Long-term debt	104,870,000	111,102,000
Oblig. under cap. leases	3,845,000	4,012,000
Deferred inc. taxes	451,000	592,000
Minority interest	1,069,000	546,000
+Common stock	507,000	505,000
Add. paid-in capital	44,229,000	43,933,000
Retained earnings (deficit)	5,578,000	(1,534,000)
Total Liabilities & Shareholders' Equity	$ 253,408,000	$ 260,369,000

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.06	—
%Net Income to Sales	1.06	—
%Net Income to Equity	14.14	—
Sales to Inventories	5.36	4.95
Debt to Equity	2.65	3.18
Working Capital	$ 61,821,000	$ 61,584,000
Current Ratio	1.67	1.61
Shareholders' Equity	$ 50,314,000	$ 42,904,000

Petrie Stores Corporation

70 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 866-3600
FAX: (201) 866-5483

Officers: Milton J. Petrie, chairman of the board, president & chief exec. officer; Hilda Kirschbaum Gerstein, vice chairman; Dorothy Fink Stern, exec. v.p.-merchandising; Jean Roberts, exec. v.p.-store operations; Jay Galin, exec. v.p. & pres.-G & G Shops, Inc.; Peter A. Left, exec. v.p., secretary & chief financial officer; Allan Laufgraben, exec. v.p. & president- 'Plus Size Stores'; Nancy Barrett, sr. v.p.; Edward Citro, sr. v.p.; Beverly Evans, sr. v.p.; Rose Thomas, v.p.; Daniel Maresca, sr. v.p.; Samuel David Polese, sr. v.p.; Umberto Gallo, sr. v.p.; Murray Robins, sr. v.p.; Robert Sandberg, sr. v.p.; Bernard Apple, sr. v.p.; Edward Milford, sr. v.p.; Michael J. Jackson, sr. v.p.; Thomas Reynolds, sr. v.p.; Patricia Tyner, sr. v.p.; Joseph Mariano, sr. v.p.; Louis Mascolo, sr. v.p.; Scott Galin, sr. v.p.; Joseph Savini, sr. v.p.; Toni Shostak Karan, sr. v.p.; Robert Donohue, sr. v.p.; Robert Olszewski, sr. v.p.; Lydia Bay, v.p.; Judith Herman, v.p.; Michelle Alexander, v.p.; Debra Citro, v.p.; Maureen Crowley, v.p.; Robert King, v.p.; Kathy Connolly Shea, v.p.; Lester Sokolower, v.p.; Ronald Swerdlow, v.p.; Karen Williams, v.p.; James Hellman, v.p.; Victoria Komas, v.p.; Jean Ponder, v.p.; Brigitte Krauss Reis, v.p.; Jennifer Ridgely, v.p.; Lisa Berry, v.p.; Patti Boldt-Slattery, v.p.; Sharon Boone, v.p.; Denise Corcoran, v.p.; Camilla Galluzzo, v.p.; Karen Haluza-Harriston, v.p.; Marla Hamilton, v.p.; Barton Heminover, v.p.; Erin Holden, v.p.; Barbara Clickenger Maron, v.p.; Deborah Matejik, v.p.; Peter Ring, v.p.; Ralph Scala, v.p.; Iris Schnee, v.p.; Barbara Shannon, v.p.; Phyllis Sicheri, v.p.; Debra Simon, v.p.; Arlene Wagner, v.p.; Vincent Belmonte, v.p.; Mary Bernat, v.p.; Miguel Bosch, v.p.; Mary Ellen Colbert, v.p.; Ellen DeLosh, v.p.; Henry Finizio, v.p.; Tim Honig, v.p.; Patricia Hughes, v.p.; Barbara Tinkl, v.p.; Janice Zatler, v.p..

Directors: Milton J. Petrie, chairman; Hilda Kirschbaum Gerstein, Jean Roberts, Dorothy Fink Stern, H. Fred Krimendahl, II, Jay Galin, Joseph H. Flom, Laurence A. Tisch.

Business Activities: Operates clothing stores in 48 states specializing in moderate-price apparel for teen, junior and contemporary miss customers. Stores are also located in the Virgin Islands, Puerto Rico, and the District of Columbia. Stores operate under the names "Petrie's," "Marianne," "Stuarts," "G&G," "Hartfield's," "Winkleman's," "Jean Nicole," "M.J. Carroll," and "Rave."

Transfer Agent(s):

American Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): New York, Philadelphia

Ticker Symbol: PST

Number of Stores: (at fiscal year end)

1990	1,569	1987	1,474
1989	1,584	1986	1,345
1988	1,584		

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 1,257,522,000	$ 32,265,000
1989	1,218,341,000	92,182,000
1988	1,241,554,000	47,543,000
1987	1,198,391,000	73,691,000
1986	1,160,845,717	77,901,803

	No. of Com. Shares #	Earn. per Share ‡ #
1990	46,765,000	$ 0.69
1989	46,766,000	1.97
1988	46,767,000	1.02
1987	46,766,000	1.58
1986	42,977,486	1.81

‡ Including extraordinary gain of $57,100,000 ($1.22 per share) in 1989.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.20	—	—
1989	0.20	—	—
1988	0.575	—	—
1987	0.70	—	—
1986	0.70	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1990	$ 644,196,000	$ 13.77
1989	621,309,000	13.28
1988	538,433,000	11.51
1987	517,758,000	11.07
1986	476,714,523	11.09

† Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 1,257,522,000	$ 1,218,341,000
Other income	12,780,000	7,566,000
Total income	$ 1,270,302,000	$ 1,225,907,000
Cost of sales	911,100,000	884,916,000
Expenses	295,543,000	275,214,000
Interest expense	10,531,000	10,465,000
Equity earnings	(282,000)	(3,036,000)
Income before taxes	$ 53,410,000	$ 58,348,000
Income taxes	21,145,000	23,266,000
Net Income	$ 32,265,000	$ 35,082,000
Extraord. gain	—	57,100,000
Net Income & extraord. gain	$ 32,265,000	$ 92,182,000

* Included in Costs and Expenses, Depreciation and Amortization: $54,970,000 in 1990 and $56,791,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & short-term invest.	$ 122,192,000	$ 117,930,000
Accts. receiv., net	25,161,000	26,042,000
*Inventories	124,027,000	111,398,000
Deferred inc. taxes	2,445,000	—
Prepaid expenses	6,482,000	5,598,000
Current Assets	$ 280,307,000	$ 260,968,000
Investments	210,505,000	173,441,000
#Fixed assets	302,177,000	332,679,000
Exc. of cost over assets acq.	101,362,000	104,302,000
Other assets	3,086,000	3,100,000
Total Assets	$ 897,437,000	$ 874,490,000

Liabilities

Cap. lease oblig., curr.	$ 234,000	$ 211,000
Accts. payable	21,716,0003	27,517,000
Accruals	27,449,000	26,120,000
Income taxes	16,160,000	14,798,000
Deferred inc. taxes	—	34,000
Curr. Liabilities	$ 65,559,000	$ 68,680,000
Oblig. under cap. lease	21,000	255,000
Deferred inc. taxes	62,682,000	59,261,000
Convert. subord. deben.	124,979,000	124,985,000
+Common stock	46,769,000	46,769,000
Add. paid-in caital	93,925,000	93,927,000
Retained earnings	503,641,000	480,729,000
Treasury stock	(139,000)	(10,000)
Unamort. portion of stock bonus	—	(106,000)
Total Liabilities & Shareholders Equity	$ 897,437,000	$ 874,490,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.25	4.79
%Net Income to Sales	2.57	2.88
%Net Income to Equity	5.01	5.65
Sales to Inventories	10.14	10.94
Working Capital	$ 214,748,000	$ 192,288,000
Current Ratio	4.28	3.80
Shareholders' Equity	$ 644,196,000	$ 621,309,000

Phillips-Van Heusen Corporation

1290 Avenue of the Americas
New York, New York 10104
(212) 541-5200
FAX: (212) 468-7398

Officers: Lawrence S. Phillips, chairman & chief executive officer; Bruce J. Klatsky, president & chief operating officer; Irwin W. Winter, v.p. & chief financial officer; Michael Frenkel, v.p. & counsel; Pamela N. Hootkin, v.p., treasurer & secretary; Cynthia L. Tarantino, v.p. & controller; James J. Murphy, v.p.; Murray Weinberg, v.p.; Robert W. Antall, v.p.; Mark Weber, v.p..

Directors: Lawrence S. Phillips, chairman; Shirley Goodman Brown, Edward H. Cohen, Estelle Ellis, Bruce J Klatsky, Bruce Maggin, Ellis E. Meredith, James J. Murphy, Steven L. Osterweis, William S. Scolnick, Peter J. Solomon, Irwin W. Winter.

Business Activities: Manufactures men's dress shirts, sport shirts, jeans, topcoats, raincoats, sweaters, slacks, sportswear, outerwear, suits and sportscoats; women's shirts and blouses; and men's and women's shoes. Also operates retail clothing stores and shoe stores.

Divisions and Subsidiaries:

Retail Division

The Retail Group
Van Heusen Retail
G. H. Bass Retail

Manufacturing Divisions:

The Van Heusen Group of Companies
The Van Heusen Company
The Designer Group
The Pickwick Company
The Van Heusen Corporate Markets Company

Private Label Sportswear Group
PVH Somerset Company
Somerset Knitting Mills, Inc.

All at:

1290 Avenue of Americas
New York, New York 10104

G. H. Bass & Co.
Engaged in the manufacture, distribution and retail marketing of men's and women's shoes.

Acquisition:

Windsor Shirt Co.
King of Prussia, Pennsylvania
Sells top quality men's furnishings manufactured by the private label division of Phillips-Van Heusen.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: PVH

Sales & Earnings

	Net Sales †	Net Income
1990	$ 732,936,000	$ 24,192,000
1989	641,038,000	20,669,000
1988	500,025,000	30,009,000
1987	370,932,000	20,101,000
1986	397,466,000	15,935,000

	No. of Com. Shares ‡	Earn. per Share +
1990	9,096,000	$ 1.67
1989	9,049,000	1.34
1988	9,039,000	1.97
1987	15,134,000	1.27
1986	15,279,000	1.02

† Including operating revenues; of continuing operations only.
‡ Adjusted to reflect stock split.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1990	1989
Apparel	$ 493,395	$ 460,342
Footwear	239,541	180,696
Total	$ 732,936	$ 641,038

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.28	—	—
1989	0.28	—	—
1988	0.25	—	2 1/2-for-1
1987	0.16	—	—
1986	0.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 46,085,000	$ 5.07
1989	32,476,000	3.59
1988	22,456,000	2.48
1987	164,522,000	10.87
1986	150,676,000	9.86

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 732,936	$ 641,038
Cost of sales	491,776	438,169
Expenses	188,803	157,173
Other expense	2,108	2,201
Interest income	(1,584)	(1,159)
Interest expense	19,139	17,268
Income before taxes	$ 32,694	$ 27,386
Income taxes	8,502	6,565
Inc. - cont. oper.	$ 24,192	$ 20,821
Loss - discont. oper.	—	(152)
Net Income	$ 24,192	$ 20,669

* Included in Costs and Expenses, Depreciation and Amortization: $7,254,000 in 1990 and $6,237,000 in 1989.

Assets
(000's)

As of	1/28/90	1/29/89
Cash	$ 6,577	$ 9,907
Receiv., net	59,987	59,906
*Inventories	190,788	173,325
Other curr. assets	9,515	9,028
Net assets held for sale	—	12,873
Curr. Assets	$ 266,867	$ 265,039
#Fixed assets	46,526	42,282
Intangibles	3,413	3,453
Other assets	16,302	12,359
Total Assets	$ 333,108	$ 323,133

Liabilities
(000's)

Long-term debt, curr.	$ 12,882	$ 12,521
Cap. lease oblig., curr.	342	328
Accts. payable	21,626	24,424
Accruals	46,170	50,649
Income taxes	3,170	269
Curr. Liabilities	$ 84,190	$ 88,191
Long-term debt	116,194	113,476
Cap. lease oblig.	2,582	2,924
Other liabilities	11,257	13,266
Redeem. preferred stock	72,800	72,800
+Common stock	15,825	15,778
Add. paid-in capital	31,108	31,011
Retained earnings	172,982	159,517
Treasury stock	(173,830)	(173,830)
Total Liabilities & Shareholders' Equity	$ 333,108	$ 323,133

* At lower of cost or market. Apparel at LIFO; footwear at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income before Taxes to Sales	4.46	—
%Net Income to Sales	3.30	—
% Net Income to Equity	52.49	63.64
Sales to Inventories	3.84	3.70
Debt to Equity	2.86	3.98
Working Capital	$ 182,677,000	$ 176,848,000
Current Ratio	3.17	3.01
Shareholders' Equity	$ 46,085,000	$ 32,476,000

Pic 'n' Save Corporation

2430 E. Del Amo Boulevard
Dominguez, California 90220-6306
(213) 537-9220
FAX: (213) 632-4477

Officers: Lewis B. Merrifield, III, president & chief executive officer; William M. Jacobs, Jr., sr. v.p. & chief financial officer; Steven Miral, sr. v.p. & general merchandise manager; Sheldon S. McClusky, v.p.-warehousing & distribution; Raymond L. Kugel, asst. treasurer & secretary; David E. Blakely, sr. v.p.-store operations & distribution; James E. Mettee, v.p.-development; John F. Hoffner, v.p. & controller; Dennis E. Biberston, v.p. & regional manager; Stephen M. Mess, v.p. & regional manager; Frank C. Bianchi, v.p.-human resources; Kenneth H. Hite, v.p.-management information systems; Douglas S. MacLennan, v.p.-real estate and construction; Mark J. Miller, v.p.-merchandise mgr.-Hardlines; S. Terry Ray, v.p. & regional mgr.; James W. Anderson, asst. v.p.-security & loss Prevention; Eileen Awe Hupp, asst. v.p.-merchandise planning & vendor marketing.

Directors: Arthur Frankel, Lewis B. Merrifield, III, John T. Gurash, David Amsterdam, Stafford R. Grady, Bruce E. Karatz, Ronald P. Spogli.

Business Activities: Operates a chain of 190 self-service, cash-and-carry retail stores specializing in the discount sale of new "close-out" merchandise. Stores are operated under the names "Pic 'n' Save", "The WOW! Store", and "Job Lot-Push Cart" and are located in California, New York, Arizona, Nevada, New Mexico, Texas, Colorado, Idaho and Utah.

Transfer Agent(s):

First Interstate Bank, Ltd.
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PICN (NASDAQ)

Number of Stores: (at fiscal year end)

1989	190	1986	101
1988	158	1985	94
1987	125		

Sales & Earnings

	Net Sales	Net Income
1989	$ 475,210,000	$ 30,876,000
1988	401,705,000	46,915,000
1987	361,729,000	47,313,000
1986	303,466,000	39,767,000
1985	278,072,000	41,074,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	35,571,000	$ 0.87
1988	37,865,000	1.24
1987	39,472,000	1.20
1986	39,555,000	1.01
1985	39,485,000	1.04

NOTE: Although the Company changed its fiscal year end to the Sunday nearest January 31, the income statement and balance sheet for fiscal 1989 ends Dec. 31, 1989 for comparative purposes.

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 220,774,000	$ 6.21
1988	189,727,000	5.01
1987	192,014,000	4.86
1986	152,388,000	3.85
1985	112,252,000	2.84

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 475,210	$ 401,705
Cost of sales	244,830	193,958
Store expenses	119,455	88,130
Warehouse expenses	55,530	41,919
Interest expense (income)	4,523	(44)
Income before taxes	$ 50,872	$ 77,742
Income taxes	19,996	30,827
Net Income	$ 30,876	$ 46,915

* Included in Costs and Expenses, Depreciation and Amortization: $11,507,000 in 1989 and $8,684,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 6,483	$ 17,316
Market. secur.	—	1,700
*Inventories	108,778	105,908
Other current assets	8,843	5,505
Current Assets	$ 124,104	$ 130,429
#Fixed assets	180,425	130,054
Other assets	1,167	1,300
Total Assets	$ 305,696	$ 261,783

Liabilities
(000's)

Loan payable	$ 5,000	$ 3,000
Accts. payable	17,686	19,701
Accruals	27,723	20,336
Income taxes	3,700	7,543
Sales tax pay.	6,756	5,565
Curr. Liabilities	$ 60,865	$ 56,145
Long-term debt	13,459	8,767
Deferred inc. taxes	9,916	6,462
Accrued bonus	682	682
+Common stock	1,114	1,114
Add. paid-in capital	14,644	13,860
Retained earnings	270,309	239,433
Treasury stock	(57,127)	(57,127)
Receiv. under stock purchase agree.	(8,166)	(7,553)
Total Liabilities & Shareholders' Equity	$ 305,696	$ 261,783

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02778 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.71	19.35
%Net Income to Sales	6.50	11.68
%Net Income to Equity	13.99	24.73
Sales to Inventories	4.37	3.79
Debt to Equity	0.08	0.06
Working Capital	$ 63,239,000	$ 74,284,000
Current Ratio	2.04	2.32
Shareholders' Equity	$ 220,774,000	$ 189,727,000

Pier 1 Imports, Inc.

(57.3% owned by Intermark Inc.)

Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000
FAX: (817) 334-0315

Officers: Clark A. Johnson, chairman & chief executive officer; Marvin J. Girouard, president & chief operating officer; Robert G. Herndon, exec. v.p., chief financial and administrative officer; E. Mitchell Weatherly, v.p.-human resources; J. Rodney Lawrence, v.p.-legal affairs & secretary.

Directors: Luther A. Henderson, Clark A. Johnson, Lawrence P. Klamon, Charles R. Scott, Thomas N. Warner, Sally F. McKenzie, Marvin J. Girouard.

Business Activities: Owns and operates a chain of 517 retail stores that sell imported and domestic gift items, home decorating accessories and furniture, outdoor and personal accessories in 43 states and Canada.

Transfer Agent(s):

Team Bank/Fort Worth
Corporate Trust Department
P.O. Box 2604
Fort Worth, Texas 76113

Stock Exchange(s): New York

Ticker Symbol: PIR

Number of Stores: (at fiscal year end)

1989	517	1986	350
1988	450	1985	306
1987	396		

Sales & Earnings

	Net Sales	Net Income
1990	$ 516,858,000	$ 25,253,000
1989	414,646,000	21,600,000
1988	327,226,000	15,825,000
1987	262,297,000	11,970,000
1986	203,939,000	13,733,[illegible]

	No. of Com. Shares ‡	Earn. per Share ‡
1990	35,784,000	$ 0.71
1989	30,665,000	0.70
1988	30,610,000	0.52
1987	28,973,000	0.41
1986	25,493,000	0.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.14	—	—
1989	0.09	—	—
1988	0.06	—	3-for-2
1987	0.02	—	4-for-3 & 3-for-2
1986	0.01	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 179,949,000 †	$ 5.03
1989	114,270,000 †	3.73
1988	92,641,000 †	3.03
1987	73,449,000 †	2.54
1986	48,543,000	1.90

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account
(000's)

Year ended Feb. 28	1990	1989
Net sales	$ 516,858	$ 414,646
Cost of sales	306,812	244,888
Expenses	146,266	116,687
Depreciation & amortization	13,074	10,009
Interest expense	9,683	10,022
Credit card costs	2,568	1,120
Income before taxes	$ 38,455	$ 31,920
Income taxes	12,952	10,070
Net Income	$ 25,503	$ 21,850

Assets
(000's)

As of Feb. 28	1990	1989
Cash	$ 6,761	$ 3,744
Marketable securities	9,500	15,888
Accts. receiv., net	27,149	20,832
*Inventories	156,258	130,224
Other curr. assets	10,001	7,714
Current Assets	$ 209,669	$ 178,402
#Fixed Assets	127,670	111,452
Other assets	13,122	10,052
Total Assets	$ 350,461	$ 299,906

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 27,912	$ 16,267
Accts. payable & accruals	44,016	44,951
Curr. Liabilities	$ 71,928	$ 61,218
Long-term debt	92,588	121,313
Def. income taxes	4,496	1,605
+Preferred stock	1,500	1,500
++Common stock	35,460	30,399
Add. paid-in capital	85,511	43,475
Retained earnings	61,557	40,895
Cum. trans. adjust.	564	568
Treasury stock	(3,143)	(1,067)
Total Liabilities & Shareholders' Equity	$ 350,461	$ 299,906

* At lower of moving average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; formula rate.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sale	7.44	7.70
%Net Income to Sales	4.93	5.27
%Net Income to Equity	14.06	18.87
Sales to Inventories	3.31	3.18
Debt to Equity	0.66	1.19
Working Capital	$ 137,741,000	$ 117,184,000
Current Ratio	2.91	2.91
Shareholders' Equity	$ 181,449,000	$ 115,770,000

Quality Food Centers, Inc.

10112 N.E. 10th Street
Bellevue, Washington 98004
(206) 455-3761
FAX: (206) 462-2159

Officers: Stuart M. Sloan, chairman; Jack Croco, co-chairman & chief executive officer; Dan Kourkoumelis, president & chief operating officer; Ruth F. Cook, sr. v.p.; Marc W. Evanger, v.p. & chief financial officer; Robert Alfano, v.p.-produce operations; Lee Crowthers, v.p.-architect; Charles Griffin, v.p.-store operations; Robert Hall, v.p.-marketing & merchandising; Howard Weisberg, v.p.-information systems.

Directors: Stuart M. Sloan, chairman; Jack Croco, John W. Creighton, Jr., Fred B. McLaren, Ronald A. Weinstein.

Business Activities: Operates a chain of 27 supermarkets in the Seattle,King County, Washington area.

Transfer Agent(s):

U.S. National Bank of Oregon
Corporate Trust Dept.
P.O. Box 3850
Portland, Oregon 97208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QFCI (NASDAQ)

Number of Stores (at fiscal year end)

1989	24	1986	22
1988	22	1985	21
1987	22		

Sales & Earnings

	Net Sales	Net Income x
12/30/89	$ 318,721,000	$ 12,850,000
12/31/88	231,570,000	7,082,000
12/26/87	189,611,000	3,380,000
12/27/86*	89,636,000	977,000
6/16/86+#	68,706,000	1,165,000

	No. of Com. Shares ‡	Earn. per Share x‡
12/30/89	9,594,000	$ 1.34
12/31/88	9,536,000	0.74
12/26/87	8,748,000	0.39
12/27/86*	6,650,000	0.15

* 28 weeks.
# 24 weeks.
+ Predecessor company.
x Including extraordinary losses of $890,000 ($0.09 per share) in 1989 and $891,000 ($0.10 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/30/89	—	—	2-for-1
12/31/88	—	—	—
12/26/87	—	—	—
12/27/86	—	—	16.625-for ‡

‡ Effective Mar. 4, 1987.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/30/89	$ 43,099,000	$ 4.49
12/31/88	30,249,000	3.17
12/26/87	23,166,000	2.65
12/27/86	2,977,000	0.45

‡ Adjusted to reflect stock splits.

Income Account*

Year ended	12/30/89	12/31/88
Net sales	$ 318,721,404	$ 231,570,485
Cost of sales	242,488,594	177,689,341
Expenses	55,589,921	42,352,669
Interest expense	1,066,994	1,352,749
Interest income	(1,267,252)	(593,673)
Income before taxes	$ 20,843,147	$ 10,769,399
Income taxes	7,103,000	3,687,000
Net Income	$ 13,740,147	$ 7,082,399
Extraord. loss	(890,000)	—
Net Income & extraord. loss	$ 12,850,147	$ 7,082,399

* Included in Costs and Expenses, Depreciation and Amortization: $3,573,545 in 1989 and $2,255,521 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 3,339,371	$ 2,970,682
Short-term invest.	9,950,000	11,570,000
Accts. receiv., net	1,144,427	1,098,047
*Inventories	9,190,835	7,026,428
Prepaid expenses	966,045	411,638
Current Assets	$ 24,590,678	$ 23,076,795
#Fixed assets	29,669,211	23,396,533
Leasehold interest	11,118,259	12,037,405
Other assets	650,287	1,156,998
Total Assets	$ 66,028,435	$ 59,667,731

Liabilities

Accts. payable	$ 11,353,778	$ 10,553,017
Accrued payroll	5,913,393	4,389,250
Accrued taxes	1,704,541	1,467,744
Other accruals	1,744,652	1,197,014
Income taxes	896,000	853,000
Curr. Liabilities	$ 21,612,364	$ 18,460,025
Sr. subord. notes	—	9,945,618
Deferred inc. taxes	910,000	593,000
Other liabilities	407,056	420,220
+Common stock	18,809,250	18,809,250
Retained earnings	24,289,765	11,439,618
Total Liabilities & Shareholders' Equity	$ 66,028,435	$ 59,667,731

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.54	4.65
%Net Income to Sales	4.31	3.06
%Net Income to Equity	31.88	23.41
Sales to Inventories	34.68	32.96
Debt to Equity	—	0.33
Working Capital	$ 2,978,314	$ 4,616,770
Current Ratio	1.14	1.25
Shareholders' Equity	$ 43,099,015	$ 30,248,868

Reebok International Ltd.

100 Technology Center Drive
Stoughton, Massachusetts 02072
(617) 341-5000
FAX: (617) 821-5540

Officers: Paul B. Fireman, president & chief executive officer; Paul R. Duncan, exec. v.p. & chief financial officer; John B. Douglas, III, v.p. & gen. counsel; William Dragon, Jr., v.p. & pres.-AVIA Group International; John H. Duerden, sr. v.p. & president-Reebok Division; D. Dwight

Harshbarger, sr. v.p.-human resources; Robert E. Slattery, v.p. & pres.-The Rockport Company; William J. Ryan, v.p. & president-Boston Whaler, Inc.; Kenneth R. Lightcap, v.p.-corporate communications; Marilyn H. Tam, v.p.-president-Apparel Products Division; Richard L. Bryant, treasurer; Sharon M. Bryan, corporate controller.

Directors: Paul B. Fireman, chairman; Frank A. Farrant, William M. Marcus, Geoffrey Nunes, John A. Quelch, R. Stephen Rubin, Linda J. Wachner, Richard G. Lesser, Paul R. Duncan.

Business Activities: Operates nine factory outlet-type retail stores which sell footwear, apparel and accessories bearing the Reebok, Weebok, Metaphors, Rockport, Ellesse and Avia trademarks. Designs, develops and markets athletic footwear, casual and dress comfort shoes, walking shoes, and sportswear and accessories.

Divisions and Subsidiaries:

Footwear Division
Canton, Massachusetts

Apparel Division
Canton, Massachusetts

The Rockport Company
Marlboro, Massachusetts

International Division
Bolton, England

Weebok Division
Markets non-athletic shoes for infants and children under the Weebok trademark.

Reebok Canada, Inc.
Distributes the Company's products in Canada.

Avia Group International, Inc.
Designs, develops and markets athletic footwear, casual and walking shoes, and hiking boots.

Ellesse U.S.A., Inc.
Designs, develops and markets fashionable sportswear and athletic footwear.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Correspondence
P.O. Box 644
Boston, Massachusetts 02102-0644

Stock Exchange(s): New York

Ticker Symbol: RBK

Number of Stores: (at fiscal year end)

1989 . . . . .9 1988 9

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,822,092,000	$ 174,998,000
1988	1,785,935,000	137,002,000
1987	1,389,196,000	165,200,000
1986	919,401,000	132,134,000
1985	306,969,000	38,962,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	114,176,000	$ 1.53
1988	113,767,000	1.20
1987	111,234,000	1.49
1986	103,784,000	1.27
1985	85,896,000	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.30	—	—
1988	0.30	—	—
1987	0.20	—	2-for-1
1986	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 844,296,000	$ 7.39
1988	690,702,000	6.07
1987	584,763,000	5.26
1986	297,601,000	2.87
1985	88,735,000	1.03

‡ Based on the wieghted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,822,092	$ 1,785,935
Other income (expense)	11,377	(1,351)
Total income	$ 1,833,469	$ 1,784,584
Cost of sales	1,071,751	1,122,226
Selling expenses	278,939	260,891
Gen. & adm. expenses	174,972	149,195
Amort. of intangibles	14,427	14,216
Interest expense	15,554	14,129
Interest income	(12,953)	(6,633)
Income before taxes	$ 290,779	$ 230,560
Income taxes	115,781	93,558
Net Income	$ 174,998	$ 137,002

* Included in Costs and Expenses, Depreciation and Amortization: $13,512,000 in 1989 and $8,850,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 171,424	$ 99,349
Accts. receiv., net	289,363	276,204
Deferred inc. taxes	34,845	26,293
*Inventories	276,911	301,920
Prepaid expenses	11,735	9,905
Current Assets	$ 784,278	$ 713,671
#Fixed assets	106,234	74,127
Other assets	14,457	11,145
Intangibles	261,398	264,506
Total Assets	$ 1,166,367	$ 1,063,449

Liabilities
(000's)

Notes payable	$ 1,651	$ 75,208
Long-term debt, curr.	598	404
Interest-bearing accts. pay.	—	31,878
Accts. payable and accruals	148,360	105,247
Income taxes	43,834	34,634
Dividends payable	8,538	8,490
Curr. Liabilities	$ 202,981	$ 255,861
Long-term debt	110,302	112,662
Deferred inc. taxes	8,788	4,224
+Common stock	1,139	1,129
Add. paid-in capital	275,336	266,564
Retained earnings	564,987	424,002
Unearned comp.	(524)	(2,808)
For. curr. trans. adjust.	3,358	1,815
Total Liabilities & Shareholders' Equity	$ 1,166,367	$ 1,063,449

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income before Taxes to Sales	15.96	12.91
%Net Income to Sales	9.60	7.67
%Net Income to Equity	20.73	19.84
Sales to Inventories	6.58	5.92
Debt to Equity	0.13	0.27
Working Capital	$ 581,297,000	$ 457,810,000
Current Ratio	3.86	2.79
Shareholders' Equity	$ 844,296,000	$ 690,702,000

Reitmans (Canada) Limited

250 Sauve Street West
Montreal, Quebec H3L 1Z2, Canada
(514) 384-1140
FAX: (514) 385-2634

Officers: Jack Reitman, chairman; Stephen F. Reitman, exec. v.p.; Jeremy H. Reitman, president; Cyril Reitman, vice president; Bruno Eller, v.p.-store planning; Jacques Rousseau, v.p. & treasurer; Philip Sacks, v.p.-merchandising; Allan Salomon, v.p.-real estate & secretary; Louis Waxman, v.p.-Ontario operations; Jay Weiss, v.p.-information systems; Jacques Rheault, v.p.-store operations; Nadia Cerantola, v.p.-merchandising; Diane Fichaud, v.p.-human resources; Gary Hayes, v.p.-merchandising; Allen F. Rubin, v.p.-purchasing & distribution; Eric Williams, v.p. & comptroller; Robert S. Vineberg, asst. secretary.

Directors: Jack Reitman, Jeremy H. Reitman, Cyril Reitman, Philip Sacks, Stephen Reitman, Robert S. Vineberg, H. Jonathan Birks.

Business Activities: Operates 579 women's clothing stores across Canada under the names Reitmans, Smart Set, Sweet Sixteen, Un-Deux-Trois, Chablis, and Kookai. Also operates 177 Worths women's apparel stores in 20 states in the U.S.

Divisions and Subsidiaries:

Sweet Sixteen
Reitmans (Canada) Inc.
Reitmans (U.S.) Corp.
Smart Set Fashions, Limited
N-E-T WORKS
Kookai
Un-Deux-Trois

Worth Stores Corp.
8515 Page Avenue
St. Louis, Missouri 63114
(314) 426-6686

Transfer Agent(s):

Montreal Trust Company
Montreal, Toronto, Halifax, Calgary, Vancouver.

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: RET

Number of Stores: (at fiscal year end)

1990 756
1989 760
1988 771
1987 743
1986 698

Reitmans (Canada) Limited

Sales & Earnings *

	Net Sales	Net Income #
1990	$ 368,261,000	$ 6,976,000
1989	353,577,000	8,103,000
1988	351,127,000	9,444,000
1987	349,346,000	14,910,000
1986	335,765,000	20,262,000

	No. of Com. Shares +	Earn. per Share #†
1990	9,314,482	$ 0.75
1989	9,314,482	0.87
1988	9,314,482	1.01
1987	9,314,482	1.60
1986	9,275,482	2.18

* In Canadian dollars.
# Including extraordinary gain of $668,000 ($0.08 per share) in 1988.
+ Based on common shares and Class A shares outstanding.
† Based on the weighted average number of Class A and common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.52	—	—
1989	0.52	—	—
1988	0.52	—	—
1987	0.52	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 140,504,000	$ 15.08
1989	138,319,000	14.85
1988	136,927,000	14.70
1987	133,001,000	14.28
1986	124,138,000	13.38

‡ Based on Class A and common shares outstanding.

Income Account

Year ended Jan. 31	1990	1989
Net sales	$ 368,261,000	$ 353,577,000
Cost of sales & expenses	359,641,000	342,154,000
Other income	(7,824,000)	(7,125,000)
Depreciation	8,282,000	7,792,000
Interest on long-term debt	528,000	529,000
Debenture interest	206,000	917,000
Amort. of goodwill	633,000	626,000
Income before taxes	$ 6,795,000	$ 8,684,000
Income taxes (credit)	(181,000)	581,000
Net Income	$ 6,976,000	$ 8,103,000

Assets

As of Jan. 31	1990	1989
Cash & short-term deposits	$ 17,177,000	$ 17,878,000
Accts. receiv., net	3,825,000	2,405,000
*Inventories	33,336,000	30,164,000
Prepaid expenses	6,124,000	3,440,000
Income taxes recoverable	1,656,000	705,000
Current Assets	$ 62,118,000	$ 54,592,000
Marketable securities	74,255,000	71,202,000
#Fixed assets	39,289,000	41,293,000
Other assets	7,883,000	7,600,000
Total Assets	$ 183,545,000	$ 174,687,000

Liabilities

Accts. payable & accruals	$ 36,464,000	$ 29,757,000
Long-term debt, curr.	654,000	651,000
Curr. Liabilities	$ 37,118,000	$ 30,408,000
Long-term debt	4,577,000	5,207,000
Deferred inc. taxes	1,346,000	753,000
+Class A stock	2,049,000	2,049,000
+Common stock	482,000	482,000
For. curr. trans. adjust.	(21,000)	(73,000)
Retained earnings	137,994,000	135,861,000
Total Liabilities & Shareholders' Equity	$ 183,545,000	$ 174,687,000

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.85	2.46
%Net Income to Sales	1.89	2.29
%Net Income to Equity	3.80	5.86
Sales to Inventories	11.05	11.72
Debt to Equity	0.03	0.04
Working Capital	$ 25,000,000	$ 24,184,000
Current Ratio	1.67	1.80
Shareholders' Equity	$ 183,545,000	$ 138,319,000

Rhodes, Inc.

(Went private via a leveraged buyout on September 20, 1988.)

4370 Peachtree Road, N.E.
Atlanta, Georgia 30319
(404) 264-4600
FAX: (404) 264-4701

Officers: Holcombe T. Green, Jr., chairman of the board; Irwin L. Lowenstein, president & chief executive officer; Joel H. Dugan, sr. v.p.-finance & administration; William C. Morris, sr. v.p.-marketing & merchandising; Joel T. Lanham, sr. v.p.-field operations; George G. Harris, sr. v.p.; Jack A. Hurst, sr. v.p.-training & human resources; Richard A. Winans, v.p.-credit; Barbara Snow, controller.

Directors: Holcombe T. Green, Jr., chairman of the board; Irwin L. Lowenstein, James R. Kuse, C.V. Nalley, III.

Business Activities: A specialty retailer of medium-priced home furnishings selling through 70 full service stores in nine southeastern and south central states. Rhodes offers a full line of medium-priced furniture and accessories including upholstered, occasional, bedroom and dining room furniture, bedding, dinettes, recliners, sleepers and other furnishings.

Number of Stores: (at fiscal year end)

1990	70
1989	68
1988	89
1987	83
1986	77

NOTE: On September 20, 1988, Rhodes Acquisition Corp., a wholly-owned subsidiary of RHD Holdings Corp. was merged with and into Rhodes, Inc. in which merger, Rhodes was the surviving corporation. As a result of the merger, Rhodes became a wholly-owned subsidiary of RHD Holdings.

Sales & Earnings

	Net Sales	Net Income
1990	$ 248,813,000	$ (12,476,000)
1989*	108,993,000	(4,208,000)
1988	239,547,000	11,919,000
1987	234,512,000	12,044,000
1986	197,331,000	12,414,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	1	$ —
1989*	1	—
1988	8,556,000	1.39
1987	8,588,000	1.40
1986	7,706,000	1.61

(Loss)
* 5 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ —	—	—
1989	—	—	—
1988	0.38	—	—
1987	0.34	—	—
1986	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ (6,684,000)	$ —
1989	5,792,000	—
1988	109,569,000	12.81
1987	109,771,000	12.78
1986	71,074,000	9.22

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Feb. 28	1990 (5 months)	1989
Net sales	$ 248,813	$ 108,993
Cost of sales	132,477	60,138
Fin. charges & commissions	(35,561)	(14,159)
Expenses	112,345	48,156
Prov. for credit losses	12,876	510
Unus. item - allow. for credit losses	5,000	—
Amort. of intangibles	3,130	5,294
Other income	(606)	(92)
Unus. item - early term. fees	2,471	—
Interest expense	36,112	15,006
Loss bef. taxes	$ (19,431)	$ (5,860)
Tax credit	(6,955)	(1,652)
Net Loss	$ (12,476)	$ (4,208)

* Included in Costs and Expenses, Depreciation: $6,548,000 in 1990 and $3,075,000 in 1989.

Assets
(000's)

As of	2/28/90	12/28/89
Cash	$ 650	$ 1,078
Install. receivables	174,113	154,141
*Inventories	41,608	39,293
Prepaid expenses	4,328	3,534
Current Assets	$ 220,699	$ 198,046
#Fixed assets	47,009	51,397
Capitalized real estate leases	10,850	11,608
Intangibles & other assets	80,354	84,946
Total Assets	$ 358,912	$ 345,997

Liabilities
(000's)

Commercial paper	$ 161,950	$ 137,500
Notes payable	33,844	25,156
Long-term debt, curr.	5,363	5,704
Accts. payable	18,338	18,907
Accrued sales taxes	6,634	5,394
Accruals	17,762	15,816
Def. profit on undeliv. sales	3,486	2,762
Def. gain-sale/leasebacks	318	318
Income taxes	819	1,519
Deferred income taxes	2,997	4,757
Curr. Liabilities	$ 251,511	$ 217,833
Deferred income taxes	435	6,051
Long-term debt	92,893	95,385
Oblig. under cap. leases	16,461	16,322
Def. gain-sales/leaseback	4,296	4,614
+ Common stock	1	1
Add. paid-in capital	9,999	9,999
Retained earnings (deficit)	(16,684)	(4,208)
Total Liabilities & Shareholders' Equity	$ 358,912	$ 345,997

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.98	2.77
Debt to Equity	—	21.80
Shareholders' Equity	$ (6,684,000)	$ 5,792,000

Riser Foods, Inc.

5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7000

Officers: Anthony C. Rego, co-chairman & joint chief exec. officer; Michael L. Borstein, co-chairman & joint chief exec. officer; Charles A. Rini, Sr., president & chief oper. officer; Anthony R. Petrillo, exec. v.p.; Ronald W. Ocasek, chief financial officer; Joseph E. Crimaldi, exec. v.p.; Charles A. Rego, sr. v.p.; Thomas A. Rego, sr. v.p.; Philip M. Sanson, exec. v.p.; Sidney Felbain, sr. v.p.; Daniel C. Lombardy, sr v.p.; Steven Borstein, sr. v.p..

Directors: Anthony C. Rego, co-chairman of the board; Michael L. Borstein, co-chairman of the board; Charles A. Rini, Sr., Martin Rini, S. Lee Kohrman, Robert H. Kanner, William A. Miller, Anthony Rini, Joseph E. Crimaldi, Philip M. Sanson, Glenn A. Garson, Daniel C. Lombardy, Thomas A. Rego.

Business Activities: The Company is a major regional food retail and wholesale company. Riser Foods was formed through the combination of Fisher Foods, Inc., Rini Supermarkets, Rego Supermarkets and American Seaway Foods, Inc. The Company operates 50 supermarkets in Northeast Ohio and a wholesale business serving a broader market area.

Divisions and Subsidiaries:

Fisher Foods, Inc.

Rini Supermarkets

Rego Supermarkets

American Seaway Foods, Inc.

Transfer Agent(s):

Ameritrust Company National Association
Cleveland, Ohio

Stock Exchange(s): American

Ticker Symbol: RSR

Number of Stores: (at fiscal year end)

1989 50

Sales & Earnings

	Net Sales	Net Income #
1989	$ 1,083,130,000	$ (12,728,000)
1988*	73,902,000	(159,000)

	No. of Com. Shares +	Earn. per Share #+
1989	7,975,196	$ —
1988*	7,930,889	—

(Loss)
* 24 days.
# Including extraordinary loss of $5,706,000 in 1989.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1989	$ 21,772,000	$ 2.73
1988	34,254,000	4.32

‡ After allowing for preferred stock at par value.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	7/1/89 (24 days)	7/2/88
Net sales	$ 1,083,130	$ 73,902
Cost of sales	869,100	59,960
Expenses	216,309	13,856
Interest expense	11,253	488
Gain on sale of assets	(3,711)	—
Gain on curtail. of pension benefits	(1,764)	—
Other income	(1,035)	(304)
Loss before taxes	$ (7,022)	$ (98)
Income taxes	—	61
Net Loss	$ (7,022)	$ (159)
Extraord. loss	(5,706)	—
Net Loss & extraord. loss	$ (12,728)	$ (159)

* Included in Costs and Expenses, Depreciation and Amortization: $10,573,000 in 1989 and $642,000 in 1988.

Assets
(000's)

As of	7/1/89	7/2/88
Cash & cash equiv.	$ 7,403	$ 16,911
Accts. receiv., net	30,862	21,951
*Inventories	70,734	81,920
Prepaid expenses	2,250	3,755
Current Assets	$ 111,249	$ 124,537
#Fixed assets	77,481	83,964
Other assets	19,553	18,105
Total Assets	$ 208,283	$ 226,606

Liabilities
(000's)

Notes payable	$ —	$ 2,500
Rel. party notes pay.	—	1,143
Long-term debt, curr.	3,647	4,697
Cap. lease oblig., curr.	993	1,070
Accts. payable	39,864	45,886
Accruals	19,435	21,507
Self-insruance reserve	4,322	3,061
Litigation settle. reserve	5,331	986
Current Liabilities	$ 73,592	$ 80,850
Long-term debt	84,529	81,805
Cap. lease oblig.	12,784	14,414
Self-insurance reserve	6,249	5,685
Litigation settle. reserve	2,289	1,764
Other liabilities	5,257	6,023
+Preferred stock	1,811	1,811
++Class A Common stock	70	69
++Class B Common stock	10	10
Add. paid-in capital	34,733	34,344
Retained earnings (deficit)	(13,041)	(169)
Total Liabilities & Shareholders' Equity	$ 208,283	$ 226,606

* At lower of cost (LIFO) or market. Certain meat, produce and other inventory at FIFO.
# Less accumulated depreciation and amortization.
+ $100 par value; $8.00 cumulative, convertible, non-voting.
++ $0.01 par value.

Statistical Summary

Sales to Inventories	15.31	0.95
Debt to Equity	4.32	2.93
Working Capital	$ 37,657,000	$ 43,687,000
Current Ratio	1.51	1.54
Shareholders Equity	$ 23,583,000	$ 36,065,000

Rite Aid Corporation

Railroad Avenue and Trindle Road
Shiremanstown, Pennsylvania 17011
(717) 761-2633
FAX: (717) 975-5871

Mailing address:
P.O. Box 3165
Harrisburg, Pennsylvania 17105

Officers: Alex Grass, chairman of the board & chief exec. officer; Martin Grass, president & chief operating officer; Timothy Noonan, sr. v.p.-drugstore operations; Alex Schamroth, sr. v.p.-pharmacy operations; Franklin C. Brown, sr. v.p.-chief legal counsel; Frank Bergonzi, sr. v.p.-finance; Robert Souder, sr. v.p.-personnel; Ronald A. Miller, sr. v.p.-distribution; Joe Phillips, sr. v.p.-management information systems; Charles Slane, v.p. & secretary; Douglas J. Hansen, v.p. & treasurer; Robert L. Sloane, v.p.-administration; Gerald P. Cardinale, v.p.-merchandising; Charles R. Kibler, v.p.-drugstore operations; W. Michael Knievel, v.p.-corp. security; James E. Krahulec, v.p.-government & trade relations; Kevin J. Mann, v.p.-purchasing; Joseph E. Rosen, v.p.-Sera-Tec Biologicals; Brian D. Weese, v.p.-Encore Books; Michael F. Morris, v.p.-store planning; Philip Markovitz, v.p.-real estate; Thomas M. Rouen, v.p.-advertising; Myron D. Winkelman, v.p.-Third Party Prescriptions; James O. Lott, Jr., v.p.-risk management; Eric S. Sorkin, v.p.-pharmacy services; John McNamara, asst. v.p.-Encore Books; I. Lawrence Gelman, asst. v.p. & asst. secretary; Barry Criss, asst. v.p.-store planning; Ted W. Armstrong, asst. v.p.-Front End Personnel; Daniel E. Garber, asst. v.p.-Rack Rite; Mark E. Fogg, asst. v.p.-Pharmacy Operations; Rachelle H. Goto, asst. v.p.-Pharmacy Purchasing; Thomas J. Slovenkay, asst. v.p.-Purchasing; Joseph S. Speaker, asst. v.p.-Retail Controller; Frederick H. Wendte, asst. v.p.-pharmacy operations; Peter Poses, asst. v.p.-real estate; Michael A. Shelansky, asst. v.p.-merchandise accounting; Richard J. Varmecky, asst. v.p. & corp. controller; Raymond B. McKeeby, asst. v.p.-drugstore operations; Suzanne Mead, asst. v.p.-corp. communications; Gregg Montgomery, asst. v.p.-pharmacy operations; John R. Mullen, asst. v.p.-drugstore operations; Franklin J. Cunjak, asst. treasurer.

Directors: Alex Grass, chairman; Franklin C. Brown, Martin Grass, Leonard N. Stern, Philip Neivert, Henry Taub, Gerald Tsai, Jr., Richard J. Kogan, Preston Robert Tisch.

Business Activities: Owns and operates a chain of 2,352 discount drug stores and health and beauty aid stores in 22 eastern states and the District of Columbia. These stores are called Rite Aid, Drug Palace, and Thrift-D. In addition, the Company operates ADAP, Inc., a chain of 77 discount automotive parts stores; and Encore Books, a chain of 51 discount book stores in six mid-Atlantic states. Concord Custom Cleaners operates 169 dry cleaning outlets in 11 southeastern and midwestern states. Medical services division consists of Sera-Tec Biologicals whose 26 centers in 14 states provide plasma to the pharmaceutical industry for use in therapeutic and diagnostic products.

Encore Books
424 Railroad Avenue
Shiremanstown, Pennsylvania 17011
(717) 731-4702

Sera-Tec Biologicals
525 Milltown Road
North Brunswick, New Jersey 08902
(201) 846-6800

ADAP
600 Bodwell Street
Avon, Massachusetts 02322
(508) 587-8400

Concord Custom Cleaners
P.O. Box 1000
Richmond, Kentucky 40475
(606) 623-2550

Operates dry cleaning outlets in 11 midwestern and southeastern states.

Begley Company
GDF, Inc.
Gray Drug Fair, Inc.
Keystone Centers, Inc.
Lane Drug Company
Rack Rite Distributors,Inc.
Rite Aid Realty Corp.
Rite Aid Drug Palace,Inc.
Rite Aid Home Distribution Center, Inc.
Rite Investments, Inc.
WRAC, Inc.

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): New York, Pacific

Ticker Symbol: RAD

Number of Stores: (at fiscal year end)

1990	2,352
1989	2,184
1988	2,072
1987	1,586
1986	1,392

* Continuing operations only.

Sales & Earnings

	Net sales + (000's)	Net Income (000's)
1990	$ 3,172,797	$ 102,058
1989*	2,868,297	95,210
1988	2,486,319	144,553
1987	1,756,706	77,984
1986	1,564,119	67,924

	No. of Com. Shares ‡	Earn. per Share ‡
1990	41,452,000	$ 2.46
1989*	41,452,000	2.30
1988	41,330,000	3.50
1987	41,281,000	1.89
1986	41,255,000	1.52

* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1990	1989
Retail drug	$ 3,011,250,000	$ 2,729,325,000
Specialty retailing	122,559,000	113,158,000
Medical services	38,988,000	25,814,000
Total	$ 3,172,797,000	$ 2,868,297,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.84	—	—
1989	0.76	—	—
1988	0.68	—	—
1987	0.60	—	—
1986	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 704,413,000	$ 16.98
1989	636,184,000	15.35
1988	571,014,000	13.81
1987	452,544,000	10.96
1986	397,993,000	9.65

Income Account *
(000's)

Year ended	3/3/90	3/4/89
Net sales	$ 3,172,797	$ 2,868,297
Cost of sales	2,284,149	2,060,074
Expenses	678,114	613,590
Interest expense	54,720	43,375
Prov. for video cassette rental dept. clos.	22,000	—
Income before taxes	$ 133,814	$ 151,258
Income taxes	51,921	59,142
Inc.-cont. oper.	$ 81,893	$ 92,116
Inc.-discont. oper.	20,165	3,094
Net Income	$ 102,058	$ 95,210

* Included in Costs and Expenses, Depreciation and Amortization: $84,381,000 in 1990 and $76,810,000 in 1989.

Assets
(000's)

As of	3/3/90	3/4/89
Cash	$ 14,505	$ 15,339
Accts. & notes receiv., net	175,050	151,737
*Inventories	643,629	596,546
Prepaid expenses & other curr. assets	16,001	12,754
Current Assets	$ 849,185	$ 776,376
Investments & advances	—	20,845
#Fixed assets	510,619	463,079
Other assets	20,463	21,225
Intangibles	159,044	135,995
Total Assets	$ 1,539,311	$ 1,417,520

Liabilities
(000's)

Short-term debt	$ 30,000	$ 301,000
Long-term debt, curr.	2,594	3,676
Accts. payable	132,151	130,643
Income taxes	28,650	25,391
Other taxes	9,226	9,072
Accruals	13,238	9,260
Curr. Liabilities	$ 215,859	$ 479,042
Long-term debt	542,051	228,260
Deferred inc. taxes	76,988	74,034
+Common stock	42,593	42,548
Add. paid-in capital	4,452	3,481
Retained earnings	678,154	610,941
Treasury stock	(20,786)	(20,786)
Total Liabilities & Shareholders Equity	$ 1,539,311	$ 1,417,520

* At lower of cost or market. Retail inventories at LIFO; all others at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.49	14.97
Sales to Inventories	4.93	4.81
Debt to Equity	0.82	0.84
Working Capital	$ 633,326,000	$ 297,334,000
Current Ratio	3.93	1.62
Shareholders' Equity	$ 704,413,000	$ 636,184,000

Rose's Stores, Inc.

P.O. Drawer 947
Henderson, North Carolina 27536
(919) 430-2100

Officers: Lucius H. Harvin, III, chairman of the board & chief exec. officer; J. Avery Roberts, Jr., exec. v.p. & chief corp. affairs officer; R. Edward Anderson, sr. v.p. & chief financial officer; Anthony J. Cincotta, sr. v.p. & chief merchandise officer; David C. Rose, sr. v.p. & chief adm. officer; Terry Bean, v.p.-human resources; William E. Darrow, v.p.-real estate & expansion; Douglas C. Harris, v.p.-general merchandise mgr. of softlines; George M. Harvin, corporate secretary; Donald G. Hunt, regional v.p.-operations; Frank L. Irvin, v.p.-operations staff officer; John H. McElroy, v.p.-marketing; D. L. Overby, regional v.p.-operations; Len Priode, v.p.-information services; Thomas B. Rose, III, v.p.-distribution & warehouse merchandising; Bob Sasser, v.p.-general merchandise mgr. of hardlines; J. Michael Shuster, controller; William E. Triplett, III, asst. treasurer; Roger C. Trivette, v.p.-store design & construction; Nelson J. Tucker, regional v.p.-operations.

Directors: Bruce G. Allbright, Sam Ayoub, Elizabeth C. Bacon, George D. Busbee, John T. Church, George M. Harvin, Lucius H. Harvin, III, Ralph W. Ketner, Robert G. Kittrell, Jr., James H. Maynard, David C. Rose, Albert N. Whiting.

Business Activities: The Company operates a chain of 259 discount stores in 11 southeastern states. The Company's stores, operating under the name "Roses", offer a wide assortment of merchandise, including apparel and accessories, home furnishings, health and beauty aids, toys, music and electronic products, and other items for the family and home. Nationally advertised name brands account for the majority of non-apparel sales and a lesser amount of apparel sales. In addition, Rose's stores sell limited lines of private label merchandise.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RSTO (voting), RSTOB (non-voting)

Number of Stores: (at fiscal year end)

1989	259
1988	250
1987	237
1986	222
1985	204

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,507,560,000	$ 8,926,000
1988	1,439,279,000	16,356,000
1987	1,336,794,000	18,095,000
1986	1,198,941,000	24,049,000
1985	1,009,208,000	20,322,000

	No. of Com. Shares +	Earn. per Share +
1989	19,718,000	$ 0.45
1988	20,125,000	0.81
1987	20,550,000	0.88
1986	20,578,000	1.17
1985	20,529,000	0.99

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.21	—	—
1988	0.21	—	—
1987	0.21	—	—
1986	0.20	—	2-for-1
1985	0.19	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 204,574,000	$ 10.37
1988	207,452,000	10.31
1987	193,273,000	9.41
1986	181,109,000	8.80
1985	160,828,000	7.83

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/27/90	1/25/89
Net sales	$ 1,507,560	$ 1,439,279
Cost of sales	1,191,942	1,138,026
Expenses	288,328	293,906
Interest expense	12,964	10,891
Income before taxes	$ 14,326	$ 26,456
Income taxes	5,400	10,100
Net Income	$ 8,926	$ 16,356

* Included in Costs and Expenses, Depreciation and Amortization: $19,637,000 in 1989 and $20,994,000 in 1988.

Assets
(000's)

As of	1/27/90	1/25/89
Cash & cash equiv.	$ (5,884)	$ (5,367)
Accts. receiv., net	11,468	7,427
*Inventories	398,356	340,789
Deferred inc. tax benefits	6,387	4,196
Other curr. assets	4,121	3,871
Current Assets	$ 414,448	$ 350,916
#Fixed assets	78,558	84,377
Other assets	1,322	972
Total Assets	$ 494,328	$ 436,265

Liabilities
(000's)

Long-term debt, curr.	$ 25,000	$ 10,000
Cap. lease oblig., curr.	2,916	4,832
Accts. payable	91,035	87,757
Short-term debt	62,023	—
Accrued profit-sharing	2,464	4,604
Income taxes	3,903	1,744
Accrued payroll	15,655	18,102
Other current liabilities	20,179	16,425
Current Liabilities	$ 223,175	$ 143,464
Long-term debt	55,000	80,000
Cap. lease oblig.	4,881	7,070
Deferred inc. taxes	6,698	5,897
+Voting common stock	2,250	2,250
+Non-voting Class B stock	19,020	18,878
Retained earnings	195,823	191,035
Treasury stock	(12,519)	(12,329)
Total Liabilities & Shareholders' Equity	$ 494,328	$ 436,265

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	0.95	1.84
% Net Income to Sales	0.59	1.14
% Net Income to Equity	4.36	8.18
Sales to Inventories	3.78	4.22
Debt to Equity	0.73	0.51
Working Capital	$ 191,273,000	$ 207,452,000
Current Ratio	1.86	2.45
Shareholders Equity	$ 204,574,000	$ 199,834,000

Ross Stores, Inc.

8333 Central Avenue
P.O. Box 728
Newark, California 94560-0728
(415) 790-4400
FAX: (415) 792-1716

Officers: Stuart G. Moldaw, chairman of the board; Norman A. Ferber, president & chief executive officer; Greggory L. Baldwin, exec. v.p.-operations; Alan R. Schlesinger, exec. v.p.-merchandising & marketing; Earl T. Benson, sr. v.p., chief financial officer & secretary; James S. Jacobs, sr. v.p.-store operations; Stephen F. Joyce, sr. v.p.-human resources; Louis S. Virag, sr. v.p. & general merchandise manager; David Goldman, v.p.-marketing; Peter Hart, sr. v.p.-mgmt. info. systems; David Morrison, v.p.-distribution; James S. Fassio, v.p.-real estate; Gary Kaufman, v.p. & divisional merchandise manager; Lynn E. Caples, v.p. & divisional merchandise manager; Abe Minde, v.p. & divisional merchandise manager; David Whitney, v.p.-loss prevention; Janet A. Kanios, v.p.-merchandise planning & administration; Michael Balmuth, sr. v.p. & general merchandise manager; Zsolt S. deTorok, v.p.-management information systems; Barry S. Gluck, v.p. & divisional merchandise manager; William E. Inman, v.p. & regional manager; Barbara L. McIntee, v.p.-store planning & distribution; Donald Phillips, v.p., v.p. & regional manager; William S. Reese, v.p.-product development & divisional merchandise mgr.; Mary Sadowski, v.p. & regional mgr.; Leonard Sheinberg, v.p & divisional merchandise mgr.; John M. Vuko, v.p., treasurer & controller.

Directors: Stuart G. Moldaw. chairman; Franklin P. Johnson, Jr., George P. Orban, Donald H. Seiler, Norman A. Ferber, Donald G. Fisher, Donna L. Weaver, Philip Schlein, Alan R. Schlesinger.

Business Activities: Operates a chain of 161 off-price retail stores offering brand-name fashion apparel, and shoes for the entire family, in 15 states located primarily in the South, Southwest, and West.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ROST (NASDAQ)

Number of Stores: (at fiscal year end)

1990	161
1989	140
1988	131
1987	121
1986	107

Sales & Earnings

	Net Sales	Net Income †
1990*	$ 740,929,000	$ 29,840,000
1989	634,247,000	26,250,000
1988	575,990,000	17,125,000
1987	534,413,000	(41,449,000)
1986	375,945,000	7,055,000

	No. of Com. Shares ‡	Earn. per share † ‡
1990*	23,965,000	$ 1.24
1989	27,123,000	0.97
1988	28,247,000	0.61
1987	25,744,000	—
1986	23,793,000	0.30

(Loss)
* 53 weeks.
† Including extraordinary gain of $5,581,000 ($0.20 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 103,768,000	$ 4.33
1989	114,286,000	4.21
1988	118,570,000	4.20
1987	84,945,000	3.30
1986	126,346,000	5.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended	2/3/90 (53 weeks)	1/29/69
Net sales	$ 740,929	$ 634,247
Sales of leased depts.	(7,460)	(7,838)
Other income	695	780
Total income	$ 734,164	$ 627,189
Cost of sales	508,788	438,862
Expenses	159,454	136,977
Depreciation & amortization	11,961	10,418
Interest expense	6,708	3,960
Income bef. taxes	$ 47,253	$ 36,972
Income taxes	17,413	10,722
Net Income	$ 29,840	$ 26,250

Assets
(000's)

As of	2/3/90	1/28/89
Cash & short-term invest.	$ 2,460	$ 47,046
Accts. receiv., net	6,043	3,337
*Inventories	129,413	117,200
Def. store opening exp.	2,944	737
Prepaid expenses	5,060	4,167
Current Assets	$ 145,920	$ 172,487
#Fixed assets	88,342	71,948
Lease rights	3,581	4,018
Other assets	7,427	7,627
Exc. of cost over assets acq.	4,496	4,646
Total Assets	$ 249,766	$ 260,726

Liabilities
(000's)

Long-term debt, curr.	$ 5,000	$ 10,000
Accts. payable	46,013	61,173
Accruals	19,035	20,954
Accrued payroll	9,158	7,182
Income taxes	6,341	4,388
Curr. Liabilities	$ 85,547	$ 103,697
Long-term debt	48,900	35,000
Deferred inc. taxes	11,551	7,743
+Common stock	229	253
Add. paid-in capital	92,327	102,137
Retained earnings	11,212	11,896
Total Liabilities & Shareholders' Equity	$ 249,766	$ 260,726

* At lower of cost or market determined under the unit cost method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.38	5.90
%Net Income to Sales	4.03	4.19
%Net Income to Equity	28.76	22.97
Sales to Inventories	5.73	5.34
Debt to Equity	0.52	0.39
Working Capital	$ 60,373,000	$ 78,636,000
Current Ratio	1.71	2.27
Shareholders' Equity	$ 103,768,000	$ 114,286,000

Ruddick Corporation

2000 Two First Union Center
Charlotte, North Carolina 28282
(704) 372-5404
FAX: (704) 372-6409

Officers: R. Stuart Dickson, chairman of the board; Alan T. Dickson, president; Richard N. Brigden, v.p.-finance; Joe S. Hurley, treasurer; Donald B. Williford, asst. treasurer & secretary; James O. Stephens, asst. secretary; Mickey F. Frye, asst. treasurer.

Directors: R. Stuart Dickson, chairman; Alan T. Dickson, Thomas M. Belk, Hugh L. McColl, Jr., James E. S. Hynes, Roddey Dowd, Sr., John G. Hutchens, E. C. Wall, Jr., John W. Copeland.

Business Activities: A holding company, operating 123 supermarkets in North and South Carolina, Tennessee and Virginia through its subsidiary, Harris-Teeter, Inc. The company also controls various manufacturing and distribution operations, and is involved in venture capital investments.

Subsidiaries:

Harris Teeter, Inc.
P.O. Box 33129
Charlotte, North Carolina 28233
(704) 567-3000

Operates 128 supermarkets in North and South Carolina, Virginia and Tennessee.

American and Efird, Inc.
Mount Holly, North Carolina
(704) 827-4311

Primarily a manufacturer of industrial sewing thread and also produces sales yarn. A & E operates 11 plants in North Carolina.

Jordan Graphics, Inc.
P.O. Box 668306
Charlotte, North Carolina 28266
(704) 394-2121

Producer and distributor of a broad line of business forms.

Ruddick Investment Company (RIC)
2095 Two First Union Center
Charlotte, North Carolina 28282
(704) 333-7144

Venture capital investments.

Transfer Agent(s):

Wachovia Bank & Trust Co. N.A.
Winston-Salem, North Carolina

Stock Exchange(s): American

Ticker Symbol: RDK

Number of Stores: (at fiscal year end)

1989	128
1988	123
1987	113
1986	112
1985	109

Sales & Earnings x

	Net Sales +	Net Income
1989	$ 1,300,672,000	$ 20,190,000
1988*	1,127,218,000	18,379,000
1987	993,456,000	14,365,000
1986	883,641,000	13,425,000
1985	881,841,000	12,559,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	9,771,813	$ 2.07
1988	9,736,725	1.89
1987	9,590,596	1.50
1986	9,596,279	1.40
1985	9,645,114	1.30

* 53 weeks.
x Restated to reflect the adoption of FASB Statement No. 94, "Consolidation of all Majority-Owned Subsidiaries".
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
American & Efird Mills	$ 199,004	$ 181,733
Harris Teeter	1,053,467	894,035
Jordan Graphics, Inc.	57,201	51,450
Total	$ 1,300,672	$ 1,127,218

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1989	$ 0.62	—	—
1988	0.57	—	—
1987	0.45	—	—
1986	0.42	—	2-for-1
1985	0.38	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity ‡	Equity Per Share #
1989	$ 158,000,000	$ 16.17
1988	143,755,000	14.76
1987	130,509,000	13.61
1986	117,597,000	12.25
1985	108,165,000	11.21

‡ Restated.
‡ After allowing for preference stock at par value.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	10/1/89 (53 weeks)	10/2/88‡
Net sales	$ 1,300,672,000	$ 1,127,218,000
Cost of sales	1,009,414,000	877,197,000
Expenses	240,451,000	205,845,000
Interest expense	13,421,000	9,537,000
Other adm. expense	3,497,000	3,373,000
Minority interest	736,000	297,000
Income before taxes	$ 33,153,000	$ 30,969,000
Income taxes	12,963,000	12,590,000
Net Income	$ 20,190,000	$ 18,379,000

‡ Restated.
* Included in Costs and Expenses, Depreciation: $25,101,000 in 1989 and $20,182,000 in 1988.

Assets

As of	10/1/89	10/2/88‡
Cash	$ 10,503,000	$ 12,283,000
Accts. receiv., net	42,188,000	37,715,000
*Inventories	122,796,000	125,885,000
Other assets	7,777,000	6,230,000
Current Assets	$ 183,264,000	$ 182,113,000
#Fixed assets	217,908,000	203,930,000
Investments	9,749,000	12,431,000
Other assets	28,183,000	20,991,000
Total Assets	$ 439,104,000	$ 419,465,000

Liabilities

Notes payable	$ 8,270,000	$ 5,708,000
Long-term debt, curr.	3,540,000	2,562,000
Dividends payable	—	3,112,000
Accts. payable	78,057,000	86,434,000
Income taxes	3,029,000	2,595,000
Accrued compensation	13,392,000	13,277,000
Other accruals	16,252,000	16,010,000
Curr. Liabilities	$ 122,540,000	$ 129,698,000
Long-term debt	112,217,000	106,770,000
Deferred inc. taxes	33,156,000	26,717,000
Other liabilities	9,728,000	9,511,000
+Preference stock	921,000	972,000
++Common stock	9,388,000	9,348,000
Add. paid-in capital	16,170,000	15,734,000
Retained earnings	132,425,000	118,150,000
Cum. trans. adjust.	17,000	523,000
Total Liabilities & Shareholders' Equity	$ 439,104,000	$ 419,465,000

‡ Restated.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value; $0.56 noncumulative, convertible, voting.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.55	2.75
%Net Income to Sales	1.55	1.63
%Net Income to Equity	12.70	12.70
Sales to Inventories	10.59	8.95
Debt to Equity	0.78	0.79
Working Capital	$ 60,724,000	$ 52,415,000
Current Ratio	1.50	1.40
Shareholders' Equity	$ 158,921,000	$ 144,727,000

J Sainsbury plc

Stamford House
Stamford Street
London, SE1 9LL, England
01-921-6000

Joint Presidents: Lord Sainsbury of Drury Lane, Sir Robert Sainsbury.

Board of Directors: Lord Sainsbury of Preston Candover, chairman; Sir Roy Griffiths, deputy chairman, non-executive; D.J. Sainsbury, deputy chairman; G.C. Hoyer Millar, chairman homebase; D.A. Quarmby, managing director-operations; R.T. Vyner, joint managing director; C. Roberts, marketing services; R.A. Clark, distribution & data processing; D.E. Henson, finance director; K.C. Worrall, trading director; I.D. Coull, development; R. Cooper, trading director; C. I. Harvey, director-retail division; D.B. Adriano, managing director-homebase; J.d. Adshead, personnel director; Sir James Spooner, non-executive; The Rt. Hon. Lord Prior, PC, non-executive; Mrs. D.C. Eccles, non-executive.

Departmental Directors: R.A. Anderson, property development; J.E. Blake, data processing; P. Boam, property development; M. Broomfield, area director; A.B. Cheeseman, off license & bakery; M.D. Conolly, marketing; D.J. Graham, distribution; J.G. Grindle, retail operations; I.J. Hunt, marketing services; P. Ibbotson, construction; A.L. Jacobs, company systems; R. McLaren, produce; N.F. Matthews, group secretary, public affairs; I. G. Merton, meat, poultry; M.D. Morgan, cheese, dairy frozen food; F.E. Netscher, chief accountant; J.R. Phillipson, area director; M. T. Powell, distribution; A. F. Rees, marketing; J.A. Renshaw, Bacon, pork products, delicatessen; E.G. Ricketts, merchandising; M. Rosen, non-foods; D.W. Smith, area director; R. Spencer, scientific services; T.A. Wigley, area director; R.P. Whitbread, area director;

Business Activities: Operates 270 J Sainsbury supermarkets, and eight Savacentre supermarakets, all in the United Kingdom. The Company also operates 55 Homebase home improvement and garden centers in the U.K., and 66 Shaw's Supermarkets located in Massachusetts, Maine, and New Hampshire.

Subsidiaries:

Homebase Limited (75%-owned)
J Sainsbury (U.S.A.) Inc.
J Sainsbury (Finance) B.V.
SavaCentre Limited

Shaw's Supermarkets, Inc.
140 Laurel Street
East Bridgewater, Massachusetts 02333
(617) 378-7211

Registrars:

National Westminster Bank plc
Registrar's Department
P.O. Box No. 82
Caxton House, Redcliffe Way
Bristol BS99 7NH, England

Stock Exchange(s): London

Number of Stores: (at fiscal year end)

1990	399	1987	321
1989	408	1986	314
1988	387		

Sales & Earnings

		Net Sales (000's)		Net Income † (000's)
1990	£	7,257,000	£	310,900
1989		5,915,100		251,600
1988		5,009,500		199,400
1987		4,043,500		158,000
1986		3,575,200		127,300

	No. of Com. Shares #	Earn. per Share † ‡
1990	1,514,556,311	20.80p
1989	1,502,280,283	16.66
1988	1,493,569,360	13.63
1987	1,425,872,146	11.34
1986	N.A.	8.96

N.A. - Not Available.
£ - pound sterling.
† Before minority interest. Including extraordinary gain of 1,600,000 (0.11p per share) in 1989.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1990	6.10p	—	—
1989	5.05	—	—
1988	4.20	—	2-for-1
1987	3.50	—	—
1986	2.75	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

		Total Equity (000's)	Equity Per Share + (000's)
1990	£	1,405,500	92.80p
1989		1,167,600	77.72
1988		1,024,400	68.59
1987		781,300	54.79

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended		3/17/90		3/18/89
Net sales	£	7,257,000	£	5,915,100
VAT & sales taxes		326,600		256,100
Cost of sales		6,302,300		5,165,100
Expenses		157,400		121,000
Oper. income		(30,700)		(22,800)
Interest expense		17,800		9,500
Assoc. share of profit		(1,600)		(15,600)
Profit sharing		33,800		26,700
Income before taxes	£	451,400	£	375,100
Income taxes		140,500		125,100
Net Income	£	310,900	£	250,000
Extraord. gain		—		1,600
Minority interest		2,800		(400)
Net Income & extraord. gain	£	313,700	£	251,200

* Included in Costs and Expenses, Depreciation: £ 103,400,000 in 1990 and £ 79,600,000 in 1989.

Assets
(000's)

As of		3/17/90		3/18/89
Cash	£	139,300	£	90,000
ACT recoverable		27,300		25,200
Accts. receiv., net		94,900		97,300
*Inventories		308,400		286,100
Investment		29,400		—
Current Assets	£	599,300	£	498,600
Investments		17,100		31,500
#Fixed assets		2,738,400		2,338,100
Total Assets	£	3,354,800	£	2,868,200

Liabilities
(000's)

Bank overdrafts	£	236,200	£	319,300
Notes payable		—		20,000
Unsecured loan notes pay.		24,600		3,500
Unpresented checques		125,200		115,900
Long-term debt, curr.		2,700		5,600
Accts. payable		481,100		438,000
Other payables		213,200		169,000
Accruals		67,000		42,600
Amts. owed to assoc.		700		700
Income taxes		120,900		132,000
Other taxes		14,800		14,200
Proposed dividend		65,900		53,300
Curr. Liabilities	£	1,352,300	£	1,314,100
Long-term debt		431,800		377,100
Minority interest		161,300		7,300
Deferred inc. taxes		3,900		2,100
+Common stock		378,600		375,600
Add. paid-in capital		193,800		179,100
Revaluation reserve		20,300		24,900
Profit and loss acct.		812,800		588,000
Total Liabilities & Shareholders' Equity	£	3,354,800	£	2,868,200

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	6.22	6.34
%Net Income to Sales	4.28	4.23
%Net Income to Equity	22.12	21.41
Sales to Inventories	23.53	20.67
Debt to Equity	0.32	0.34
Shareholders' Equity	£1,405,500,000	£1,167,600,000

Salant Corporation

1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500
FAX: (212) 827-0695

Officers: Ray W. Williams, chairman & chief executive officer; Nicholas P. DiPaolo, president & chief operating officer; John S. Rodgers, vice chairman, secretary & general counsel; Martin F. Tynan, v.p.-finance & treasurer.

Directors: Ray W. Williams, chairman; John S. Rodgers, Walter J. Fried, John W. Mettler, III, Robert S. Ruwitch, Marvin Schiller, Nicholas P. DiPaolo.

Business Activities: Designs, manufactures and markets to retailers throughout the United States a wide range of men's, women's and children's apparel and accessories and is a leading supplier of men's slacks, shirts, ties and belts. These products are sold by major department and specialty stores, national chain stores and mass merchandisers. The company also operates a chain of factory outlet stores; principally in the northeast and south.

Divisions and Subsidiaries:

Retail Division
1501 Broadway
Fairlawn, New Jersey 07410
(201) 799-8660

Obion Company
1333 Broadway
New York, New York 10018
Manufactures children's sleepwear and playwear.

Texas Apparel Company
4150 Pinnacle Street
El Paso, Texas 79902
Manufactures private label fashion and basic jeans for men and boys.

Thomson Company
1155 Avenue of the Americas
New York, New York 10036
Markets men's slacks, sportswear, sweaters and sport shirts.

Manhattan Industries, Inc.
1155 Avenue of the Americas
New York, New York 10036
(212) 447-2000
Manufactures and retails men's and women's apparel, including shirts, sportswear, and accessories; women's blouses and dresses; and men's sleepwear. Also operates factory outlet stores and engages in licensing company trademarks.

Denton Mills, Inc.
New York
Manufactures children's sleepwear and related products.

Transfer Agent(s):

The Chase Manhattan Bank
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: SLT

Number of Stores:

1989	84	1988	85

Sales & Earnings

	Net Sales +	Net Income †
1989	$ 469,621,000	$ (9,354,000)
1988*	370,610,000	7,650,000
1987	136,272,000	8,638,000
1986	131,070,000	(5,092,000)
1985	144,466,000	(8,084,000)

	No. of Com. Shares	Earn. per Share † ‡
1989	3,458,615	$ —
1988*	3,428,365	2.10
1987	3,540,370	2.49
1986	3,308,779	—
1985	3,308,779	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary gain of $1,700,000 ($0.49 per share) in 1987 and extraordinary loss of $9,400,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 16,548,000	$ 4.78
1988	31,561,000	9.21
1987	24,570,000	6.94
1986	12,414,000	3.75
1985	16,972,000	5.13

Income Account *
(000's)

Year Ended	12/30/89	12/3/88
Net sales	$ 469,621	$ 370,610
Cost of sales	344,531	269,067
Expenses	101,530	72,695
Royalty income	(7,831)	(3,468)
Division restruc. costs	6,500	—
Interest expense	34,363	24,507
Interest income	(452)	(241)
Inc. (loss) bef. taxes	$ (9,020)	$ 8,050
Income taxes	334	400
Net Income (Loss)	$ (9,354)	$ 7,650

* Included in Costs and Expenses, Depreciation: $8,150,000 in 1989 and $5,527,000 in 1988.

Assets
(000's)

As of	12/30/89	12/3/88
Cash & cash equiv.	$ 7,666	$ 27,195
Accts. receiv., net	43,187	60,002
*Inventories	130,622	90,504
Assets held for sale	2,100	3,205
Prepaid expenses & other curr. assets	2,571	3,133
Current Assets	$ 186,146	$ 184,039
#Fixed assets	41,847	40,962
Other assets	104,949	91,936
Total Assets	$ 332,942	$ 316,937

Liabilities
(000's)

Long-term debt, curr.	$ 19,816	$ 15,738
Loans payable	46,000	—
Accts. payable	23,664	27,544
Accrued payroll	24,075	27,108
Accrued interest	8,030	5,610
Taxes payable	1,875	1,318
Reserve for bus. restruc.	2,542	4,093
Current Liabilities	$ 126,002	$ 81,411
Long-term debt	169,021	184,742
Deferred liab.	21,371	19,223
+Common stock	3,693	3,663
Add. paid-in capital	17,686	17,395
Retained earnings (deficit)	(3,428)	11,922
Cum. trans. adjust.	211	195
Treasury stock	(1,614)	(1,614)
Total Liabilities & Shareholders' Equity	$ 332,942	$ 316,937

* At lower of cost or market. Apparel operations at FIFO and oulet stores at FIFO using the retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	2.17
% Net Income to Sales	—	2.06
% Net Income to Equity	—	24.24
Sales to Inventories	3.60	4.09
Debt to Equity	14.19	6.35
Working Capital	$ 60,144,000	$ 102,626,000
Current Ratio	1.48	2.26
Shareholders Equity	$ 16,548,000	$ 31,561,000

The Samsung Group

Samsung Main Building
250 2-ka Taepyung-ro Chung-ku
Seoul, Korea
(02) 751-2114
FAX: (02) 753-0967

Executives: Byung-Chull Lee, chairman of the board-Samsung Group; Kun-Hee Lee, vice chairman-Samsung Group; Hyon-Hwak Shin, chairman-Samsung Co., Ltd.; Joon-Sung Kim, chairman-Samsung Electronics Co., Ltd.; Jae-Un Chung, vice chairman-Samsung Co., Ltd.; Phil-Gon Rhee, president-Samsung Co., Ltd.; Yung-Hi Sohn, president-Cheil Sugar & Co., Ltd.; Dae-Won Lee, president-Cheil Wool Textile Co., Ltd.; Chun-Hwa Lee, president-Cheil Synthetic Textile Co., Ltd.; Hoon-Chull Shin, president-Samsung Aerospace Industries Co., Ltd.; Hyoung-Soo Han, president-Samsung Corning Co., Ltd.; Joo-In Suh, president-Samsung Electro-Mechanics Co., Ltd.; Pyung-Kun Sung, president-Samsung Petrochemical Co., Ltd.; Kwan-Shik Choi, president-Samsung Shipbuilding & Heavy Industries Co., Ltd. and Korea Engineering Co., Ltd.; Ki-Suk Park president-Samsung Construction Co., Ltd.; Jin-Ku Kang, president-Samsung Semiconductor & Telecommunications Co., Ltd.; Sae-Chang Song, president-Semiconductor & Telecommunications Co., Ltd; Jung-Sang Kim, president-Samsung Watch Co., Ltd.; Sang-Ho Jeun, president-Samsung Data Systems Co., Ltd.; In-Ho Kim, president-Chonju Paper Manufacturing Co., Ltd. and Hotel Shilla Co., Ltd.; Soo-Hwan Lee, president-Joong-ang Development Co., Ltd.; Si-Hwan Ahn, president-Samsung Electronics Co., Ltd.; Jung-Bae Kim, president-Samsung Electronic Devices Co., Ltd.; Kyung-Shik Sohn, president-Ankuk Fire & Marine Insurance Co., Ltd.; Soo-Bin Lee, president-Dongbang Life Insurance Co., Ltd. Han-Sup Ryu, president-Shinsegae Department Store Co., Ltd.; Woon-Hai Cho, chairman-Koryo General Hospital.

Business Activities: In the Retail area, the Company operates the Shinsegae Department Store in downtown Seoul, Korea, and two branches at Yeongdeungpo and the Dongbang Plaza, Korea. Other activities include the manufacture of a wide variety of electronic and precision products, industrial machinery, chemicals and textiles; food processing, insurance, hotel services, and the operation of newspapers and magazines.

Subsidiaries (Korea):

Samsung Co., Ltd.
26th Floor, Samsung Main Building
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1144
Seoul, Korea
751-2114

Cheil Sugar & Co., Ltd.
18th Floor Dongbang Main Bldg.
150 2-ka, Taepyung-ro. Chung-ku. C.P.O. Box 1155
Seoul, Korea
7518-114

Chell Wool Textile Co., Ltd.
8th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1955
Seoul, Korea
751-2114

Chell Synthetic Textiles Co., Ltd.
19th Floor Dongbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku. C.P.O. Box 3913
Seoul, Korea
7518-114

Chonju Paper Mfg. Co., Ltd.
21th Floor Donbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku.
Seoul, Korea
755-6619
FAX: 755-2357

Joong-Ang Development Co., Ltd.
12th Floor, Samsung Bldg.
50 1-ka Ulchi-ro Chung-ku
Seoul, Korea
777-5801

Samsung Electronics Co., Ltd.
18th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-Ku
C. P. O. Box 2775
Seoul, Korea
751-6114

Samsung Electron Devices Co., Ltd.
5-8th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-ku
Seoul, Korea
755-2333

Samsung Aerospace Industries Ltd.
16th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-114

Samsung Corning Co., Ltd.
472 Sin-ri Taean-up Whasung-kun
P.O. Box 32 Suwon
Kyungki-do, Korea
7515-114
FAX: (0331) 33-5588

Samsung Electro-Mechanics Co., Ltd.
314 Maetan-dong Suwon-si
Kyungki-do
Korea
7512-114
FAX: (0331) 33-5511

Samsung Petrochemical Co., Ltd.
10th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd.
19-20 Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 3384
Seoul, Korea
751-2214

Ankuk Fire & Marine Insurance Co., Ltd.
6th Floor Samsung Bldg.,
50 1-ka Ulchi-ro Chung-ku C.P.O. Box 469
Seoul, Korea
771-42

Dongbang Life Insurance Co., Ltd.
Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-14

Shinsegae Department Store Co., Ltd.
52-5 1-ka Chungmu-ro Chung-ku
Seoul, Korea
754-1234

Koryo General Hospital
108 Pyeong-dong Chongno-ku
C.P.O. Box 3452
Seoul, Korea
739-3211/20

Hotel Shilla Co., Ltd.
202 2-ka Jangchung-dong Chung-ku
Seoul, Korea
233-3131

Samsung Construction Co., Ltd.
5th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. 8526
Seoul, Korea
757-8877

Samsung Electronics U.K. Ltd.
9th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. Box 4351
Seoul, Korea
757-9900

Samsung Semiconductor & Telecommunications Co., Ltd.
26th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku C.P.O. Box 8233
Seoul, Korea
771-78

Samsung Watch Co., Ltd.
7th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 1806
Seoul, Korea
751-2114

Samsung Medical Systems Co., Ltd.
429-1 Sin-ri Taean-up
Hwasung-gun, Kyungki-do
745-5491/4

Samsung Hewlett Packard Co.,
36-1 Youido-dong Youngdeungpo-ku
Seoul, Korea
784-2666

The Joong-Ang Daily News
Joong-ang Daily News Bldg.,
7 Soonhwa-dong Chung-ku
Seoul, Korea
7515-114

Samsung Data Systems Co., Ltd.
6th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 4283
Seoul, Korea
756-6313

Subsidiaries (U.S.A.)

Samsung Electronics America Inc.
301 May Hill Street
Saddlebrook, New Jersey 07662
(201) 587-9600
FAX: (201) 587-0010

Samsung International Inc.
One Samsung Place
Ledgewood, New Jersey 07852
(201) 347-8004

Samsung Information Systems America, Inc.
77 Tasman Drive
San Jose, California 95134-1708
(408) 434-5400

Samsung Electronics America Inc. Service Center
500 Highlands Parkway
Suite 300
Smyrna, Georgia 30082
(404) 434-2460

Samsung Software America Inc.
1 Corto Rate Drive
Andover, Massachusetts 01810
(508) 685-7200

Samsung Semiconductor Inc.
3725, North 1st Street
San Jose, California 95134-1708
(408) 434-5400

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	W3,028,252,908	W 101,825,421
1987	2,381,311,857	34,533,232
1986	1,472,256,000	N.A.
1985	1,276,560,000	N.A.
1984	1,086,696,000	N.A.

W - Korean Won
N.A. - Not Available

Common Stock Equity

	Total Equity (000's)	Equity er Share
1988	W 485,881,424	—
1987	220,987,697	—

Income Account *
(000's)

Year ended Dec. 31	1988	1987
Net sales	W3,028,252,908	W2,381,311,857
Other income	91,817,671	28,165,032
Total income	W3,120,070,579	W2,409,476,889
Cost of sales	2,555,037,194	2,048,876,669
Expenses	299,161,342	219,652,377
Interest expense	61,723,342	49,565,397
Other expense	76,201,076	45,617,597
Income before taxes	W 127,947,625	W 45,764,849
Income taxes	26,122,204	11,231,617
Net Income	W 101,825,421	W 34,533,232

* Included in Costs and Expenses, Depreciation and Amortization: W125,778,011,000 in 1988 and W67,309,926,000 in 1988.

Assets
(000's)

As of Dec. 31	1988	1987
Cash	W 136,208,874	W 81,450,858
Marketable securities	12,674,869	4,346,607
Accts. & notes receiv., net	347,947,363	299,054,033
Inventories	417,667,951	185,584,447
Guarantee deposits	100,896,226	45,816,231
Other curr. assets	33,733,258	12,580,911
Current Assets	W1,049,128,541	W 628,832,587
Investments	134,288,274	75,867,525
#Fixed assets	1,128,641,933	362,565,181
Deposits & other assets	114,960,707	45,651,963
Deferred charges	34,966,678	21,550,462
Total Assets	W2,461,986,133	W1,137,467,718

Liabilities
(000's)

Short-term loans	W 307,911,262	W 239,513,101
Long-term debt, curr.	145,323,820	92,987,978
Accts. & notes payable	494,633,135	360,587,052
Income taxes pay.	25,173,142	4,551,888
Other curr. liab.	111,417,931	34,640,480
Curr. Liabilities	W1,084,459,290	W 732,280,499
Long-term debt	713,787,600	124,901,046
Notes & bonds in for. curr.	72,059,100	17,794,000
Accrued severance benefits	92,499,021	41,504,476
Deferred credit	13,299,698	—
Common stock	181,094,745	69,500,000
Revaluation surplus	24,400,991	24,400,991
Other capital surplus	83,054,658	17,365,892
Retained earnings	216,238,404	109,720,814
Treasury stock	(18,907,374)	—
Total Liabilities & Shareholders' Equity	W2,461,986,133	W1,137,467,718

Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	4.23	1.92
%Net Income to Sales	3.36	1.45
%Net Income to Equity	20.96	15.63
Sales to Inventories	7.25	12.83
Debt to Equity	2.40	2.07
Shareholders' Equity (000's)	485,881,424	W 220,987,697

Schultz Sav-O Stores, Inc.

2215 Union Avenue
Sheboygan, Wisconsin 53081
(414) 457-4433
FAX: (414) 457-6684

Officers: James H. Dickelman, chairman of the board, president & chief exec. officer; Thomas Fox, v.p. & dir.-retail operations; Oscar O. Ward, v.p. & dir.-meat operations; Frank D. Welch, v.p. & dir.-engineering; Robert A. Hobart, v.p. & dir.-mgmt. info. services; John H. Dahly, sr. v.p. & chief financial officer; Michael Houser, v.p. & dir.-marketing; David Sweeney, v.p. & dir.-Sheboygan distribution & transportation; Carl Luecke, v.p. & dir.-produce; William Jacobson, v.p.-franchise operations.

Directors: James H. Dickelman*, chairman; Gerald G. Grube, Bernard S. Kubale, Thomas Fox, John H. Dahly*, Howard C. Dickelman, Martin Crneckiy, Jr., R. Bruce Grover.

* Member of the Executive Committee

Business Activities: Operates 36 corporate-owned Piggly Wiggly supermarkets and Sav-U stores in Wisconsin and Illinois and supplies 52 franchise stores in Wisconsin. In addition to servicing this group, the Company also supplies dry groceries, fresh produce, dairy and meat products to independent retail food operations in Wisconsin and Illinois.

Division:

Springtime Beverage Division
Sheboygan, Wisconsin
Produces soft drinks and bottled water for its stores and wholesale customers.

Transfer Agent(s):

First Interstate Trust Company of Wisconsin
Sheboygan, Wisconsin

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SAVO (NASDAQ)

Number of Stores: (at fiscal year end) *

1989	36	1986	39
1988	35	1985	40
1987	40		

* Corporate-owned stores only.

Schultz Sav-O Stores, Inc.

Sales & Earnings

	Net Sales	Net Income #
1989	$ 467,290,000	$ 2,975,000
1988	425,185,000	2,915,000
1987	412,732,000	2,701,000
1986*	406,611,000	2,394,000
1985	383,144,000	1,527,000

	No. of Com. Shares †	Earn. per Share #†
1989	2,717,000	$ 1.09
1988	2,165,900	1.34
1987	2,158,128	1.25
1986*	2,110,710	1.13
1985	2,111,004	0.72

* 53 weeks.
# Including extraordinary gain of $344,000 ($0.13 per share) in 1989.
† Based on the weighted average number of common shares outstanding during each year adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.12	—	—
1988	0.11	—	3-for-2
1987	0.11	—	4-for-1
1986	0.10	—	—
1985	0.09	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1989	$ 31,423,000	$ 11.57
1988	18,398,000	8.49
1987	15,699,000	7.27
1986	12,869,000	6.10
1985	10,695,000	5.07

‡ After allowing for preferred stock at par value of $100 per share.
† Based on the weighted average number of common shares outstanding during each year adjusted to reflect stock splits.

Income Account *

Year ended	12/30/89	12/31/88
Net sales	$ 467,290,000	$ 425,185,000
Cost of sales	379,378,000	345,825,000
Expenses	81,302,000	73,817,000
Interest expense	1,737,000	1,495,000
Income before taxes	$ 4,873,000	$ 4,445,000
Income taxes	1,898,000	1,530,000
Net Income	$ 2,975,000	$ 2,915,000
Extraord. gain	344,000	—
Net Income & extraord. gain	$ 3,319,000	$ 2,915,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,403,000 in 1989 and $4,575,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash & cash equiv.*	$ 5,233,000	$ 3,738,000
Accts. receiv., net	6,561,000	3,762,000
*Inventories	20,542,000	22,462,000
Prepaid expenses	1,663,000	234,000
Receiv. under capital sublease agrmts., curr.	435,000	408,000
Current Assets	$ 34,434,000	$ 30,604,000
Prepaid franchise rights & other assets	1,620,000	1,742,000
#Fixed assets	26,397,000	26,647,000
Receiv. under capital sublease agrmts.	9,542,000	5,570,000
Leased prop. under cap. leases	8,969,000	6,292,000
Total Assets	$ 80,962,000	$ 70,855,000

Liabilities

Long-term debt, curr.	$ 620,000	$ 565,000
Oblig. under capital lease, curr.	894,000	939,000
Accts. payable	12,202,000	13,338,000
Accruals	11,045,000	7,214,000
Income taxes pay.	1,358,000	—
Curr. Liabilities	$ 26,119,000	$ 22,056,000
Long-term debt	2,615,000	16,235,000
Oblig. under capital lease	18,945,000	12,035,000
Deferred inc. taxes	1,560,000	1,831,000
+Preferred stock	300,000	300,000
++Common stock	146,000	108,000
Add. paid-in capital	12,600,000	2,596,000
Retained earnings	18,677,000	15,694,000
Total Liabilities & Shareholders' Equity	$ 80,962,000	$ 70,855,000

* At cost which is not in excess of market. Cost is determined by the LIFO method except for meat and produce, which are at FIFO.
# Less accumulated depreciation and amortization.
+ $100 par value; 3% dividend.
++ $0.05 par value.

Statistical Summary

%Income Bef. Taxes to Sales	1.04	1.05
%Net Income to Sales	0.64	0.69
%Net Income to Equity	9.38	15.59
Sales to Inventories	22.75	18.93
Debt to Equity	0.73	1.59
Working Capital	$ 8,315,000	$ 8,548,000
Current Ratio	1.32	1.39
Shareholders' Equity	$ 31,723,000	$ 18,698,000

Sears Canada Inc.

(61.4% interest owned by Sears, Roebuck and Co.)

222 Jarvis Street
Toronto, Ontario M5B 2B8, Canada
(416) 362-1711
FAX: (416) 941-4793

Officers: C. Richard Sharpe, chairman of the board & chief exec. officer; G. Joseph Reddington, president & chief executive officer; Laurence E. Cudmore, president & chief operating officer; Neil M. Whitmore, v.p.-information systems; J.J. Michael Eagan, v.p., secretary & general counsel; William R. Turner, v.p.-merchandising; Richard C. McMillan, v.p.-personnel & credit; Larry Ginther, v.p.-finance, chief financial officer & treasurer; Robert J. Ferkenhoff, v.p.-information systems; Larry N. Moore, v.p.-retail & real estate.

Directors: M. F. Belanger, H. Corrigan, W. A. Dimma, A. H. Mingay, A. Powis, Jeanne E. Lougheed, G. Joseph Reddington, C. R. Sharpe, J. M. Tory, W. P. Wilder, M. Bozic, Laurence E. Cudmore, John F. Wirth, Allan B. Stewart.

Business Activities: Operates 92 retail department stores, and 1,616 catalogue sales units in Canada.

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario
Montreal, Quebec
Calgary, Alberta

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: SCC

Number of Stores (at fiscal year end)

1989	92	1986	77
1988	84	1985	75
1987	80		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1989	$ 4,562,300	$ 106,100
1988	4,327,200	95,700
1987	4,035,098	106,860
1986	3,889,114	78,697
1985	3,789,214	86,056

	No. of Com. Shares	Earn. per Share ‡ #
1989	86,155,878	$ 1.23
1988	86,021,533	1.11
1987	87,426,533	1.22
1986	87,458,213	0.90
1985	87,327,913	0.99

‡ Including extraordinary gains of $24,786,000 ($0.28 per share) in 1987, $350,000 in 1986 and $11,745,000 ($0.14 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.24	—	—
1988	0.24	—	—
1987	0.24	—	—
1986	0.24	—	—
1986	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 970,100,000	$ 11.26
1988	883,500,000	10.27
1987	824,536,000	9.43
1986	738,951,000	8.45
1985	697,074,000	7.98

Income Account
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 4,562,300	$ 4,327,200
Cost of sales & exp	4,129,100	3,924,900
Depreciation	45,400	45,000
Interest expense	170,800	150,600
Misc. taxes	47,100	44,600
Income before taxes	$ 169,900	$ 162,100
Income taxes	74,700	74,900
Eq. in earn. of assoc. cos.	(10,900)	(8,500)
Net Income	$ 106,100	$ 95,700

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 5,500	$ 8,500
Accts. receiv., net	1,780,900	1,493,500
*Inventories	807,200	746,800
Prepaid expenses	74,100	76,200
Current Assets	$ 2,667,700	$ 2,325,000
Investments & other assets	26,700	61,900
#Fixed assets	365,200	363,000
Deferred charges	108,900	113,900
Total Assets	$ 3,168,500	$ 2,863,800

Liabilities
(000's)

Notes payable	$ 655,800	$ 615,600
Long-term debt, curr.	56,300	76,200
Accts. payable	222,200	216,600
Accruals	243,000	182,500
Income & other taxes	74,600	57,200
Curr. Liabilities	$ 1,251,900	$ 1,148,100
Long-term debt	871,100	777,100
Deferred inc. taxes	75,400	55,100
+Capital stock	269,700	268,500
Retained earnings	700,400	615,000
Total Liabilites & Shareholders' Equity	$ 3,168,500	$ 2,863,800

* At lower of approximate cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.72	3.75
%Net Income to Sales	2.33	2.21
%Net Income to Equity	10.94	10.83
Sales to Inventories	5.65	5.79
Debt to Equity	1.63	1.66
Working Capital	$ 1,415,800,000	$ 1,176,900,000
Current Ratio	2.13	2.02
Shareholders' Equity	$ 970,100,000	$ 883,500,000

Sears, Roebuck and Co.

Sears Tower
Chicago, Illinois 60684
(312) 875-2500
FAX: (312) 875-0658

Officers: Edward A. Brennan, chairman of the board, president & chief exec. officer; James M. Denny, sr. v.p. & chief financial officer; Charles F. Moran, sr. v.p.-administration; David Shute, sr. v.p., corp. general counsel & secretary; Randolf H. Aires, v.p.-governmental affairs; Edward J. Condon, Jr., v.p. & treasurer; Charles J. Ruder, v.p.-corporate public affairs; David P. Norum, v.p.-taxes; John S. Vivian, v.p. & corporate comptoller; Warren F. Cooper, v.p.-corporate personnel; Edward M. Liddy, v.p.-corp. finance; Charles A. Carlson, v.p.-technology services; Jane J. Thompson, v.p.-corporate planning.

Directors: Edward R. Teliing*, Edward A. Brennan*, E. Mandell de Windt*, Sybil Collins Mobley, Clarence B. Rogers, Jr., Donald H. Rumsfeld*, Edgar B. Stern, Jr.*, Warren L. Batts*, Michael Bozic, Albert V. Casey, Wayne E. Hedien, Arthur J. Hill, Philip J. Purcell, James M. Denny*, Norma Pace, Nancy Clark Reynolds.

* Member of the Executive Committee

Business Activities: The world's largest retailer of general merchandise, Sears distributes broad lines of its own and national brand name goods. The Company also operates general merchandise retail stores, and specialty stores, including Western Auto automotive supply stores, paint and hardware stores, business systems centers, eye care centers, and Pinstripes Petites stores.

Selected Divisions and Subsidiaries:

Dean Witter Financial Services Group
Coldwell Banker Real Estate Group
Allstate Insurance Group
Sears Merchandise Group

Sears Canada Inc. (61.4% owned)
Toronto, Ontario, Canada

Eye Care Centers of America, Inc.
Operates 100 eye care centers across the Southwest and Pacific Northwest.

Pinstripes Petites, Inc.
Operates 29 women's retail clothing stores.

Western Auto Supply Company
2107 Grand Avenue
Kansas City, Missouri 64108
(816) 346-4000
Operates 424 retail automotive supply stores in 47 states.

Transfer Agent(s):

First Chicago Trust Company of New York
P.O. Box 3931
Church Street Station
New York, New York 10008-3931

Stock Exchange(s): New York, Midwest, Pacific, London, Basel, Geneva, Lausanne, Zurich, Amsterdam, Tokyo, Paris, Frankfurt

Ticker Symbol: S

Number of Stores: (at fiscal year end)*

1989	884	1986	806
1988	824	1985	799
1987	813		

* Excludes specialty stores.

Sales & Earnings

	Revenues + (000's)	Net Income (000's)
1989	$ 53,794,000	$ 1,509,000
1988	50,251,000	1,454,000
1987	45,904,000	1,633,000
1986	42,303,000	1,339,000
1985	39,349,000	1,294,000

	No. of Com. Shares †	Earn. per Share †
1989	351,000,000	$ 4.30
1988	379,000,000	3.84
1987	378,000,000	4.30
1986	369,000,000	3.58
1985	363,000,000	3.51

+ Of continuing operations only.
† Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Sears Merch. group	$ 31,599,000	$ 30,256,000
Allstate Insur. group	16,803,000	14,924,000
Dean Witter Fin Serv. group	4,065,000	3,758,000
Coldwell Banker Rl. Est. group	1,448,000	1,444,000
Corporate	146,000	198,000
Intersegment	(267,000)	(329,000)
Total	$ 53,794,000	$ 50,251,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 2.00	—	—
1988	2.00	—	—
1987	2.00	—	—
1986	1.76	—	—
1985	1.76	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1989	$ 13,622,000	$ 39.77
1988	14,055,000	37.75
1987	13,541,600	35.77
1986	12,767,600 ‡	33.90
1985	11,526,000 ‡	31.66

‡ After allowing for preferred stock at a liquidation preference of $100 per share.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Revenues	$ 53,793,900	$ 50,251,000
Costs & expenses	48,869,000	45,615,000
Restructuring	—	751,100
Interest expense	3,224,100	2,937,400
Other income	(128,900)	(156,800)
Income before taxes	$ 1,829,700	$ 1,102,800
Income taxes	352,800	53,500
Minority interest	31,100	17,000
Inc.-cont. oper.	$ 1,445,800	$ 1,032,300
Inc. (loss)-discont. oper.	62,700	(122,800)
Cum. effect of acct. change	—	544,200
Net Income	$ 1,508,500	$ 1,453,700

* Included in Costs and Expenses, Depreciation and Amortization: $792,400,000 in 1989 and $744,300,000 in 1988.

Assets
(000's)

As of Jan 31	1989	1988
Receivables	$ 32,141,400	$ 26,685,300
Investments	33,705,400	29,135,800
#Fixed Assets	5,406,600	5,179,000
*Inventories	4,357,700	3,715,500
Cash & invested cash	2,314,400	2,771,300
Securities purch. under agree. to resell	3,076,900	3,302,900
Trading account securities owned	1,066,300	811,400
Cash segregated-gov't. reg.	966,100	686,800
Other assets	3,936,800	3,663,600
Total Assets	$ 86,971,600	$ 77,951,600

Liabilities
(000's)

Reserve for insur. claim	$ 20,847,200	$ 17,329,400
Short-term borrowing	12,713,700	8,978,100
Long-term debt	10,036,200	9,735,500
Deposits & advances	8,186,100	7,355,900
Accts. pay. & other liab.	7,572,900	7,470,700
Unearned revenue	5,686,000	5,231,800
Pay. to brokerage clients	3,679,900	3,142,500
Securities sold under repurch. agree	3,396,300	3,058,400
Unpurch. securities	797,300	1,051,300
Deferred inc. taxes	433,900	543,100
+Common stock	288,800	287,700
Add. paid-in capital	2,128,200	2,071,600
Retained earnings	12,711,200	11,904,200
Treasury stock	(1,771,800)	(382,000)
Note receiv. - ESOP	(9,000)	—
Unreal. cap. gains on eq. sec.	255,000	170,000
Cum. trans. adjust.	19,700	3,400
Total Liabilities & Shareholders' Equity	$ 86,971,600	$ 14,054,900

‡ Restated.
* At lower of cost (LIFO) or market. Foreign inventories at FIFO.
# Less accumulated depreciation.
+ $0.75 par value.

Statistical Summary

%Net Income to Equity	11.07	10.34
Debt to Equity	1.67	1.33
Shareholders' Equity	$13,622,100,000	$14,054,900,000

Seaway Food Town, Inc.

1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401
FAX: (419) 891-4211

Seaway Food Town, Inc.

Officers: Wallace D. Iott, chairman & chief exec. officer; Richard B. Iott, president; Waldo E. Yeager, sr. v.p.-finance & treasurer; David J. Walrod, exec. v.p.-operations; David A. Katz, secretary.

Directors: Wallace D. Iott, chairman; Paul Pope, Thomas M. O'Donnell, Robert J. Kirk, Edwin Z. Singer, David A. Katz, Waldo E. Yeager, Richard B. Iott, David J. Walrod, Richard K. Ransom.

Business Activities: Operates a chain of 56 food stores located in northwest and central Ohio and southeast Michigan under the names "Food Town Supermarkets" and "Kash 'N Karry Super Food Stores." Also operates 14 deep discount drug stores under the name "The Pharm."

Divisions and Subsidiaries:

Northern Distributing Co.
V. F., Inc.
Gruber's Food Town, Inc.
Tracy & Avery Food Town, Inc.
Fjord Properties, Inc.
Seaway Properties, Inc.
Buckeye Discount, Inc.
Custer Pharmacy, Inc.

All at:
1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401

Balduf Bakery Division
915 Kingsbury Street
Maumee, Ohio 43537

Buckeye Specialties Division
2145 Tedrow Street
Toledo, Ohio 43614

Valley Farms Foods
Maumee, Ohio

Toledo Milk Processing, Inc.
1149 Grand
Toledo, Ohio 43606
(419) 244-3757

Transfer Agent(s):

Fifth Third Bank
Cincinnati, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEWY (NASDAQ)

Number of Stores: (at fiscal year end)

1989	69	1986	76
1988	69	1985	73
1987	73		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 512,359,000	$ 3,814,000
1988	448,070,000	9,235,000
1987	457,788,000	2,594,000
1986	423,635,000	1,683,000
1985	431,144,000	3,663,000

	No. of Com. Shares #	Earn. per Share #
1989*	2,286,024	$ 1.67
1988	2,343,822	3.94
1987	2,714,650	0.96
1986	3,484,578	0.48
1985	3,682,130	0.99

* 11 months.
# Based on the average number of share outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.36	—	—
1988	0.34	—	2-for-1
1987	0.34	—	—
1986	0.34	—	—
1985	0.34	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 32,277,000	$ 14.17
1988	29,671,000	12.93
1987	23,731,000	9.51
1986	32,671,000	9.68
1985	33,569,000	9.60

Adjusted to reflect stock split.

Income Account *

Year ended	8/26/89	8/27/88
Net sales	$ 512,359,000	$ 448,070,000
Cost of sales	391,422,000	338,780,000
Expenses	112,633,000	103,023,000
Other income	(1,677,000)	(9,854,000)
Interest expense	3,860,000	3,212,000
Income before taxes	$ 6,121,000	$ 12,909,000
Income taxes	2,307,000	4,759,000
Cum. effect of acct. change	—	(1,085,000)
Net Income	$ 3,814,000	$ 9,235,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,707,000 in 1989 and $7,788,000 in 1988.

Assets

As of	8/26/89	8/27/88
Cash & cash equiv.	$ 6,917,000	$ 6,452,000
Accts. & notes receiv., net	6,456,000	4,239,000
*Inventories	40,954,000	37,121,000
Prepaid expenses	1,837,000	1,643,000
Current Assets	$ 56,164,000	$ 49,455,000
Other assets	1,999,000	1,827,000
#Fixed assets	71,326,000	56,492,000
Total Assets	$ 129,489,000	$ 107,774,000

Liabilities

Long-term debt, curr.	$ 2,771,000	$ 1,648,000
Accts. payable	35,959,000	29,722,000
Accrued payroll	2,952,000	2,451,000
Accrued insurance	2,585,000	2,607,000
Accrued taxes	1,988,000	1,687,000
Other accruals	2,175,000	3,254,000
Income taxes	435,000	767,000
Curr. Liabilities	$ 48,865,000	$ 42,136,000
Long-term debt	44,338,000	32,145,000
Deferred inc. taxes	4,009,000	3,822,000
+Common stock	4,851,000	4,927,000
Add. paid-in capital	118,000	—
Retained earnings	29,117,000	26,786,000
Stock held by ESOP	(1,809,000)	(2,042,000)
Total Liabilities & Shareholders' Equity	$ 129,489,000	$ 107,774,000

* Meat, produce and drug inventories at lower of cost (FIFO) or market; other inventories at lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.19	2.88
%Net Income to Sales	0.74	2.06
%Net Income to Equity	11.82	31.12
Sales to Inventories	12.51	12.07
Debt to Equity	1.46	1.14
Working Capital	$ 7,299,000	$ 7,319,000
Current Ratio	1.15	1.17
Shareholders' Equity	$ 32,277,000	$ 29,671,000

Service Merchandise Company, Inc.

1600 Vaden Boulevard
Brentwood, Tennessee 37027
(615) 377-7300
FAX: (615) 366-3428

Officers: Raymond Zimmerman, chairman of the board, president & chief exec. officer; Glenn A. Bodzy, v.p., secretary & gen. counsel; S. P. Braud, v.p., treasurer & chief financial officer.

Directors: Raymond Zimmerman, chairman; R. Maynard Holt, Charles V. Moore, Richard P. Crane, Jr., James E. Poole.

Business Activities: Catalog merchandising company operating 334 merchandise showrooms in 36 states. Engaged in the sale of a broad line of jewelry, diamonds and nationally advertised brand-name hardgoods merchandise such as housewares, small appliances, giftware, silverware, cameras, luggage, radios, televisions, and other home electronic equipment and accessories, toys, sporting goods, and home and garden equipment.

Subsidiaries:

Computer Shoppes, Inc.
Specialty computer business operating 11 retail outlets in four southern states on the basis of consultive selling.

Zimm's
Jewelry and giftware sold through three stores in Nashville, Tennessee.

Transfer Agent(s)

Harris Trust and Savings Bank
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SME

Number of Stores: (at fiscal year end)

1990	339	1986	313
1988	331	1985	328
1987	323		

Sales & Earnings

	Net Sales ‡	Net Income
12/30/89	$ 3,307,110,000	$ 71,991,000
12/31/88	3,092,817,000	76,487,000
1/2/88	2,719,102,000	30,854,000
1/3/87*	2,527,300,000	(46,898,000)
12/28/85	2,244,806,000	10,733,000

	No. of Com. Shares +	Earn. per Share +
12/30/89	51,966,000	$ 1.39
12/31/88	50,654,000	1.51
1/2/88	49,973,000	0.62
1/3/87*	49,973,000	—
12/28/85	49,913,000	0.22

(Loss)
* 53 weeks
‡ Of continuing operations only.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
12/30/89	$ 10.03	—	—
12/31/88	0.05	—	3-for-2
1/2/88	0.05	—	—
1/3/87	0.05	—	—
12/28/85	0.05	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
12/30/89	$ (41,957,000)	$ —
12/31/88	380,655,000	7.51
1/2/88	306,765,000	6.14
1/3/87	278,566,000	5.57
12/28/85	328,150,000	6.57

(Deficiency)
+ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/30/89	12/31/88
Net sales	$ 3,307,110	$ 3,092,817
Cost of sales	2,487,489	2,343,889
Expenses	561,820	497,791
Depreciation & amortization	54,217	53,646
Other income	(9,229)	(6,001)
Interest expense	102,057	82,145
Income bef. taxes	$ 110,756	$ 121,347
Income taxes	38,765	44,860
Net Income	$ 71,991	$ 76,487

Assets
(000's)

As of	12/30/89	12/31/88
Cash & cash equiv.	$ 197,786	$ 336,590
Accts. receiv., net	58,542	66,487
*Inventories	761,764	715,902
Prepaid expenses	28,256	28,682
Current Assets	$ 1,046,348	$ 1,147,661
#Fixed assets	577,956	548,873
Other assets & defer. charges	39,569	14,140
Total Assets	$ 1,663,873	$ 1,710,674

Liabilities
(000's)

Long-term debt, curr.	$ 64,983	$ 38,473
Cap. lease oblig., curr.	6,425	5,522
Accts. payable	445,124	464,606
Accruals	150,043	133,053
Sales tax	43,474	39,037
Inc. taxes	43,887	50,367
Curr. Liabilities	$ 753,936	$ 731,058
Long-term debt	825,726	467,882
Cap. lease oblig.	104,711	106,386
Deferred income taxes	21,457	24,693
+Common stock	26,209	24,986
Add. paid-in capital	19,368	66,371
Retained earnings (deficit)	(69,541)	290,558
Deferred compensation	(17,993)	(1,260)
Total Liabilities & Shareholders' Equity	$ 1,663,873	$ 1,710,674

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.35	3.92
%Net Income to Sales	2.18	2.47
%Net Income to Equity	—	20.09
Sales to Inventories	4.34	4.32
Debt to Equity	—	1.62
Working Capital	$ 292,412,000	$ 416,603,000
Current Ratio	1.39	1.57
Shareholders' Equity (Deficiency)	$ (41,957,000)	$ 300,655,000

Sharper Image Corporation

650 Davis Street
San Francisco, California 94111
(415) 445-6000
FAX: (415) 981-3576

Officers: Richard Thalheimer, chairman of the board, president & chief executive officer; Craig Womack, exec. v.p. & chief operating officer; Robert Schultz, sr. v.p. & chief financial officer; Jennifer Grellman, v.p.-marketing; Vince Barriero, v.p.-management information systems.

Directors: Richard Thalheimer, chairman; Elyse Eng Thalheimer, Wataru Ohashi, Lawrence Feldman, Stanley Fenvessy, Maurice Gregg, Alan Thalheimer.

Business Activities: Operates 67 "The Sharper Image" retail stores in 25 states and the District of Columbia. These stores offer a wide variety of products, including electronics, communications, health and fitness, recreational and novelty items. The Company also licenses the use of its name to licensees, who currently operate five "The Sharper Image" stores in Japan and one in Switzerland. Also conducts a mail order catalog business.

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHRP (NASDAQ)

Number of Stores* (at fiscal year end)

1989	66	1986	27
1988	62	1985	27
1987	45		

*Company-operated only.

Sales & Earnings

	Revenues	Net Income
1/31/90	$ 208,647,000	$ 4,174,000
1/31/89	191,341,000	4,794,000
1/31/88	160,885,000	5,607,000
1/31/87*	98,231,000	3,606,000
4/30/86	88,160,000	1,426,000

	No. of Com. Shares	Earn. per Share ‡
1/31/90	8,224,028	$ 0.51
1/31/89	8,232,471	0.58
1/31/88	8,253,439	0.70
1/31/87*	7,104,790	0.51
4/30/86	7,051,940	0.20

* 9 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989	1988	1987
Net store sales	75.4 %	74.2 %	66.4 %	52.5 %
Net catalogue sales	24.0	25.1	32.7	46.4
List rental	0.06	0.7	0.9	1.1
Total	100.0 %	100.0 %	100.0 %	100.0 %

Common Stock Equity

	Total Equity	Equity Per Share
1/31/90	$ 33,333,000	$ 4.05
1/31/89	29,179,000	3.54
1/31/88	24,414,000	2.96
1/31/87	8,195,000	1.15
4/30/86	4,548,000	0.64

Income Account *
(000's)

Year ended Jan. 31	1990	1989
Net sales	$ 207,358	$ 190,017
List rental	1,289	1,324
Total revenues	$ 208,647	$ 191,341
Cost of sales	132,135	122,167
Expenses:		
Adv. & promotion	25,223	18,607
Gen., selling and adm.	46,472	43,023
Interest expense	807	619
Other income	(2,946)	(1,201)
Income bef. taxes	$ 6,956	$ 8,126
Income taxes	2,782	3,332
Net Income	$ 4,174	$ 4,794

* Included in Costs and Expenses, Depreciation and Amortization: $3,645,000 in 1989 and $3,366,000 in 1988.

Assets
(000's)

As of Jan. 31	1990	1989
Cash	$ 5,309	$ 5,204
Accts. receiv., net	4,834	4,310
*Inventories	35,419	27,527
Deferred catalogue costs	3,138	2,416
Prepaid expenses	2,658	2,739
Current Assets	$ 51,358	$ 42,196
#Fixed assets	18,709	19,097
Total Assets	$ 70,067	$ 61,293

Liabilities
(000's)

Notes payable	$ 289	$ 70
Accts. payable & accruals	28,001	25,199
Income taxes	2,288	3,654
Deferred revenue	2,813	1,683
Curr. Liabilities	$ 33,391	$ 30,606

Notes payable		1,479		78
Deferred inc. taxes & other credits		1,864		1,430
+Common stock		82		82
Add. paid-in capital		10,684		10,686
Retained earnings		22,571		18,427
Stock subscrip. receiv.		(4)		(16)
Total Liabilities & Shareholders' Equity	$	70,067	$	61,293

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales		3.35		4.28
%Net Income to Sales		2.01		2.52
%Net Income to Equity		12.52		16.43
Sales to Inventories		5.85		6.90
Debt to Equity		0.05		0.01
Working Capital	$	17,967,000	$	11,590,000
Current Ratio		1.54		1.38
Shareholders' Equity	$	33,333,000	$	29,179,000

The Sherwin-Williams Company

101 Prospect Avenue, N.W.
Cleveland, Ohio 44115-1075
(216) 566-2000
FAX: (216) 566-3310

Officers: J. G. Breen, chairman of the board & chief executive officer; T. A. Commes, president & chief operating officer; Thomas R. Miklich, sr. v.p.-finance & chief financial officer; Larry J. Pitorak, v.p., secretary & general counsel; John L. Ault, v.p. & controller; Thomas Kroeger, v.p.-human resources; Louis E. Stellato, director of taxes & asst. secretary; Conway G. Ivy, v.p. & treasurer; William B. Eldredge, president-International Group; Robert B. Venick, president-Paint Stores Group; William E. Pannill, v.p.-administration.

Directors: J. G. Breen, chairman; D. W. Calloway, T. A. Commes, R. C. Doban, A. C. Holmes, J. R. Killpack, W. G. Mitchell, R. E. Schey, Leigh Carter, James M. Biggar, Walter W. Williams.

Business Activities: Manufacturer and marketer of consumer and industrial coatings, and associated supplies. The Company also operates a nationwide chain of 1,865 Sherwin-Williams paint and wallpaper stores.

Divisions and Subsidiaries:

Paint Stores Group
Consumer Division
Automotive Division
Chemical Coatings Division
Sprayon Division
Transportation Services Division
International Group

Sherwin-Williams do Brasil Industria e Comercio Ltda.
Sao Paulo, Brazil

Sherwin-Williams Canada, Inc.
Gravenhurst, Canada

Sherwin-Williams (Caribbean) N.V.
Curacao

Sherwin-Williams (West Indies) Limited
Kingston, Jamaica

Sherwin-Williams Foreign Sales Corporation Ltd.
Charlotte Amalie, Virgin Islands

Sherwin-Williams Automotive Finishes, Inc.
Mississauga, Canada

Compania Sherwin-Williams S.A. de C.V.
Mexico City, D.F., Mexico

Sherwin-Williams Cayman Islands Ltd.
Grand Cayman

The Sherwin-Williams Co. Resources Ltd.
Kingston, Jamaica

Sherwin-Williams de Panama S.A.
Panama City, Panama

Lyons Technological Products Ltd.
United Kingdom

Sherwin-Williams Development Corp.

Contract Transportation Systems Co.
All located in the U.S.A.
Dupli-Color Products Company
Lyons Transportation Lines, Inc.
P-Y Transport, Inc.
Certified Distribution Services, Inc.
SWDC (Virginia), Inc.
Western Automotive Finishes Company

Transfer Agent(s):

AmeriTrust Company N.A.
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: SHW

Number of Stores: (at fiscal year end)

1989	1,896	1986	1,719
1988	1,865	1985	2,070
1987	1,829		

Sales & Earnings

		Net Sales † (000's)		Net Income (000's)
1989	$	2,123,483	$	108,935
1988		1,950,000		101,080
1987		1,801,000		96,577
1986		1,558,000		105,952
1985		1,526,000		74,638

	No. of Com. Shares ‡		Earn. per Share +
1989	43,163,000	$	2.52
1988	43,915,000		2.30
1987	44,838,000		2.15
1986	45,785,000		2.31
1985	46,222,000		1.61

† Of continuing operations only.
‡ Based on the average number shares of common stock outstanding adjusted to reflect stock split.
+ Based on the average number of shares outstanding after adjusting net income for dividend requirements of preferred stock adjusted to reflect stock split.

Revenues by Line of Business
(000's)

		1989		1988
Paint stores	$	1,346,000	$	1,250,000
Coatings		764,000		687,000
Other		13,000		13,000
Total	$	2,123,000	$	1,950,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.70	—	—
1988	0.64	—	—
1987	0.56	—	—
1986	0.50	—	—
1985	0.46	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

		Total Equity		Equity Per Share #
1989	$	667,633,000	$	15.48
1988		601,251,000		13.97
1987		549,685,000		12.57
1986		491,569,000		11.15
1985		465,367,000		10.10

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec 31.		1989		1988
Net sales	$	2,123,483	$	1,950,474
Cost of sales		1,275,119		1,186,846
Expenses		685,645		628,574
Interest expense		13,149		14,253
Interest income		(13,810)		(12,752)
Other income		(6,831)		(29,487)
Income bef. taxes	$	170,211	$	163,040
Income taxes		61,276		61,960
Net Income	$	108,935	$	101,080

* Included in Costs and Expenses, Depreciation and Amortization: $41,951,000 in 1989 and $36,865,000 in 1988.

Assets
(000's)

As of Dec. 31		1989		1988
Cash & cash equiv.	$	132,214	$	69,838
Short-term invest.		69,904		84,403
Accts. receiv., net		205,661		195,726
* Inventories		326,451		322,997
Other curr. assets		111,621		93,174
Current Assets	$	845,851	$	766,138
# Fixed assets		358,865		332,598
Deferred pension assets		142,738		135,821
Other assets		27,541		24,152
Total Assets	$	1,374,995	$	1,258,709

Liabilities
(000's)

Long-term debt, curr.	$	20,492	$	7,018
Accts. payable		176,003		160,844
Compensation & withholding		52,954		49,055
Other accruals		157,829		142,756
Accrued taxes		26,030		18,316
Curr. Liabilities	$	433,308	$	377,989
Long-term debt		104,952		129,604
Deferred income taxes		93,622		92,242
Other liabilities		75,480		57,623
+ Common stock		48,482		47,939
Add. paid-in capital		142,999		132,621
Retained earnings		621,750		552,764
Foreign curr. translation adj.		(14,194)		(13,218)
Treasury stock		(131,404)		(118,855)
Total Liabilities & Shareholders' Equity	$	1,374,995	$	1,258,709

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales		8.02		8.36
%Net Income to Sales		5.13		5.18
%Net Income to Equity		16.32		16.81
Sales to Inventories		6.50		6.04
Debt to Equity		0.19		0.22
Working Capital	$	412,543,000	$	388,149,000
Current Ratio		1.95		2.03
Shareholders' Equity	$	667,633,000	$	601,251,000

Silk Greenhouse, Inc.

1401 Tampa East Boulevard
Tampa, Florida 33619
(813) 622-7886
FAX: (813) 628-6392

Officers: Jere L. Bradwell, chairman of the board & president; D. Von Adkins, exec. v.p. & secretary; James R. Clark, sr. v.p.-real estate & director; Stuart G. Lasher, sr. v.p.-special projects; Rosemary Rivers, sr. v.p.-stores & personnel; Robert H. Rudman, sr. v.p.-merchandising & marketing; John E. Stokely, sr. v.p.

Directors: Jere L. Bradwell, chairman; D. Von Adkins, Stuart G. Lasher, James R. Clark, Donald W. Burton, Richard W. Roberson, William J. Schifino.

Business Activities: Operates 85 warehouse-style stores offering customers a broad selection of artificial flowers, plants and natural wood trunk trees, as well as related decorating accessories, under the name "Silk Greenhouse" in seven states primarily in the South.

Subsidiaries:

Treasure House Imports, Inc.
Operates five warehouse-style stores in the Seattle, Washington area that offer artificial flowers, Christmas merchandise, & party supplies.

Silk Greenhouse International H.K. Limited
The company's import/export agent & distributor in the Orient.

Commercial & Retail Properties, Inc.
A real estate brokerage firm which assists the company in its selection of new store sites.

Silk Greenhouse (U.K.) Limited (51% owned)
Distributed and sold Silk Greenhouse products in the United Kingdom.

Transfer Agent(s):

Citizens & Southern Trust Company
Investor Services
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SGHI (NASDAQ)

Number of Stores:

1990	85	1987	13
1989	57	1986	7
1988	30		

Sales & Earnings

	Net Sales	Net Income
1990	$ 99,343,000	$ (7,793,000)
1989	55,211,000	3,700,000
1988	21,710,000	1,343,000
1987	7,903,000	509,000
1986	3,570,000	261,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1990	9,290,000	$ —
1989	6,915,000	0.54
1988	5,529,000	0.25
1987	5,357,000	0.10
1986	5,349,000	0.05

† Fully diluted.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 32,789,000	$ 3.53
1989	18,113,000	2.62
1988	2,018,856	0.37
1987	875,939 †	0.16
1986	367,007 †	0.07

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 99,343,000	$ 55,211,000
Cost of sales	51,068,000	23,605,000
Expenses:		
Store	49,057,000	22,246,000
Gen. and adm.	7,579,000	3,437,000
Interest expense	2,381,000	956,000
Inc. (loss) bef. taxes	$ (10,742,000)	$ 5,967,000
Income taxes (credit)	(2,949,000)	2,267,000
Net Income (Loss)	$ (7,793,000)	$ 3,700,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,131,000 in 1990 and $843,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash	$ 1,317,000	$ 556,000
Accts. receiv., net	1,258,000	369,000
Refund. inc. taxes	3,700,000	239,000
Due from officers	267,000	659,000
*Inventories	78,567,000	33,630,000
Prepaid expenses	668,000	341,000
Current Assets	$ 85,777,000	$ 35,794,000
#Fixed assets	16,316,000	5,692,000
Noncompetitive agreement	730,000	814,000
Goodwill	3,583,000	3,622,000
Other assets	940,000	399,000
Total Assets	$ 107,346,000	$ 46,321,000

Liabilities

Notes payable	$ —	$ 17,214,000
Long-term debt, curr.	175,000	2[illegible],000
Cap. lease oblig. curr.	225,000	129,000
Accts. payable	25,238,000	5,680,000
Accruals	4,568,000	1,687,000
Income taxes	—	1,692,000
Curr. Liabilities	$ 30,206,000	$ 26,695,000
Long-term debt	43,614,000	1,005,000
Cap. lease oblig.	737,000	423,000
Deferred inc. taxes	—	85,000
+Common stock	94,000	48,000
Add. paid-in capital	35,084,000	12,531,000
Retained earnings (deficit)	(2,389,000)	5,534,000
Total Liabilities & Shareholders' Equity	$ 107,346,000	$ 46,321,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	10.81
%Net Income to Sales	—	6.70
%Net Income to Equity	—	20.43
Sales to Inventories	1.26	1.64
Debt to Equity	1.36	1.05
Working Capital	$ 55,571,000	$ 9,099,000
Current Ratio	2.84	1.34
Shareholders' Equity	$ 32,789,000	$ 18,113,000

S&K Famous Brands, Inc.

11100 West Broad Street
P.O. Box 31800
Richmond, Virginia 23294-1800
(804) 346-2500
FAX: (804) 346-2541

Officers: Stuart C. Siegel, chairman & chief exec. officer; Donald W. Colbert, president & chief operating officer; Robert E. Knowles, exec. v.p. & chief financial officer, treasurer & secretary; Weldon J. Wirick, III, sr. v.p.-operations; Harry S. Shendow, sr. v.p. & gen. merchandise manager; James D. Moore, Jr., v.p.-operations; Janet L. Jorgensen, v.p. & controller; Kenneth J. Cook, v.p.-real estate; Galen R. Reil, v.p.-distribution; Gray Rawlings, v.p.-administration.

Directors: Stuart C. Siegel, chairman; Robert L. Burrus, Jr., Donald W. Colbert, Andrew M. Lewis, Hyman Meyers, Richard L. Sharp, James C. Wheat, Jr..

Business Activities: Operates 91 'S&K Famous Brand Menswear' stores in 19 states throughout the Southeast, Pennsylvania, Indiana, Maine, New York, Illinois, Michigan, and Ohio.

Transfer Agent(s):

Sovran Bank, N.A.
Richmond, Virginia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SKFB (NASDAQ)

Number of Stores: (at fiscal year end)

1990	90	1987	47
1989	74	1986	51
1988	60		

Sales & Earnings

	Net Sales	Net Income #
1990	$ 60,972,000	$ 2,736,000
1989	52,437,000	2,158,000
1988	43,056,000	2,149,000
1987	39,062,000	1,292,000
1986	36,976,000	1,162,000

	No. of Com. Shares ‡	Earn. per Share #‡
1990	2,195,317	$ 1.25
1989	2,060,152	1.05
1988	2,060,152	1.04
1987	2,060,152	0.63
1986	2,060,152	0.56

# Including extraordinary gain of $110,000 ($0.05 per share) in 1990.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 21,559,000	$ 9.13
1989	14,896,000	7.23
1988	12,738,560	6.18
1987	10,589,000	5.14
1986	9,297,000	4.51

Income Account

Year ended	1/27/90	1/28/89
Net sales	$ 60,971,776	$ 52,437,252
Cost of sales	33,250,578	23,923,649
Expenses	21,472,374	18,221,861
Depreciation & amortization	1,048,312	816,687
Interest expense	979,153	1,052,936
Other income	(20,010)	(75,657)
Income before taxes	$ 4,241,369	$ 3,497,776

Income taxes	1,615,000	1,340,000
Net Income	$ 2,626,369	$ 2,157,776
Extraord. gain	110,000	—
Net Income & extraord. gain	$ 2,736,369	$ 2,157,776

Assets

As of	1/27/90	1/28/89
Cash	$ 140,899	$ 260,548
Accts. receiv., net	363,243	204,198
*Inventories	23,528,428	20,363,375
Other curr. assets	635,640	784,202
Current Assets	$ 24,668,210	$ 21,612,323
#Fixed assets	10,781,539	8,187,526
Other assets	585,011	541,497
Total Assets	$ 36,034,760	$ 30,341,346

Liabilities

Long-term debt, curr.	$ 180,000	$ 240,225
Accts. payable	4,306,242	2,512,416
Accrued compensation	1,160,823	1,224,292
Income taxes	520,813	80,125
Other current liabilities	593,114	570,593
Curr. Liabilities	$ 6,760,992	$ 4,627,651
Long-term debt	6,573,588	9,731,338
Deferred inc. taxes	1,141,521	1,086,021
+Common stock	2,360,152	2,060,152
Add. paid-in capital	5,567,359	1,941,405
Retained earnings	13,631,148	10,894,779
Total Liabilities & Shareholders' Equity	$ 36,034,760	$ 30,341,346

* At lower of cost (LIFO) or market. Work-in-process is valued at average cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.96	6.67
%Net Income to Sales	4.31	4.11
%Net Income to Equity	12.18	14.49
Sales to Inventories	2.59	2.58
Debt to Equity	0.31	0.67
Working Capital	$ 17,907,218	$ 16,984,672
Current Ratio	3.65	4.67
Shareholders' Equity	$ 21,558,659	$ 14,896,336

The Southland Corporation

(75%-owned by Ito-Yokado Co., Ltd. and 7-Eleven Japan Co., Ltd.)

2711 North Haskell Avenue
Dallas, Texas 75204
(214) 828-7011
FAX: (214) 828-7090

Mailing Address:
P.O. Box 711
Dallas, Texas 75221-0711

(Become a privately held company, owned by the shareholders of JT Acquisition Corporation, an affiliate of The Thompson Company, via a leveraged buyout on December 15, 1987.)

Officers: John P. Thompson, chairman of the board; Jere W. Thompson, president & chief exec. officer; John H. Rodgers, sr. v.p., general counsel & secretary; Walton Grayson, III, exec. v.p.-administration & services; Clark J. Matthews, II, exec. v.p. & chief financial officer; S.R. Dole, exec. v.p. & chief operating officer-7-Eleven Stores; Frank J. Gangi, sr. v.p.-finance; Richard A. Turchi, v.p.-international operations; Dale H. Allardyce, v.p.-distribution & food centers; John F. Antioco, sr. v.p.-7-Eleven Stores operations; Robert E. Bailey, v.p.-Southern Region, 7-Eleven Stores; Donald L. Burnside, v.p.-Western Region, 7-Eleven Stores; Rodney A. Brehm, v.p.-Northwest Region, 7-Eleven Stores; Adrian O. Evans, v.p.-development; David M. Finley, v.p.-human resources; Stephen B. Krumholz, v.p.-marketing; Stephen B. LeRoy, v.p.-Chesapeake Region, 7-Eleven stores; Michael K. Roemer, v.p.-Northeast Region, 7-Eleven Stores; Vernon P. Lotman, controller; David A. Urbel, treasurer.

Directors: Jere W. Thompson, John P. Thompson, J. C. Thompson, Jr., Thomas Spiegel.

Business Activities: Operator and franchisor of self-service convenience stores. As of December 31, 1989, there were 6,632 7-Eleven convenience stores, 66 Quick Mart gasoline and mini-convenience stores and Super-7 self-service gasoline outlets, and 222 High's Dairy Stores. Southland's International Division coordinates the activities of an additional 5,818 7-Eleven and other retail units in the United States, Puerto Rico, Guam, and 19 other countries.

Divisions:

Stores Group

Northeast Region
2711 Easton Road
Willow Grove, Pennsylvania 19090
(215) 672-5711

Southern Region
2711 N. Haskell Ave.
Dallas, Texas 75204
(214) 828-7870

Chesapeake Region
5300 Shawnee Road
Alexandria, Virginia 22312
(703) 642-0711

Northwest Region
2711 N. Haskell
Dallas, Texas 75204
(214) 828-7199

General Office
2711 North Haskell Avenue
P.O. Box 711
Dallas, Texas 75221
(214) 828-7011

Western Region
7811 University Avenue
P.O. Box 698
La Mesa, California 92044
(619) 465-2101

Western Gasoline Division
2444 Moor Park Avenue
Suite 316
San Jose, California 95128
(408) 293-9942

Southland International
2711 N. Haskell Avenue
P.O. Box 711
Dallas, Texas 75221
(214) 828-7815

Mid America
2711 N. Haskell
Dallas, Texas 75204
(214) 828-7956

Subsidiaries:

American Service Realty
Cityjet Corporation
Cityplace Development Corporation
Southland Fuels, Inc.
Foremost Petroleum Company of Texas, Inc.
Petro-Chemical Transport, Inc.
Petro-Chemical Transportation, Inc.
M & A Petroleum Company of Texas, Inc.
Southland International, Inc.
Southland Sales Corporation
Southland Sales Corporation
7-Eleven Sales Corporation
Svenska 7-Eleven AB

Transfer Agent(s):

M Bank Dallas, N.A.
P.O. Box 655415
1900 Pacific Avenue
Dallas, Texas 75265-5415

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLCPC (NASDAQ)* *Merger preferred shares.

Number of Stores*: (at fiscal year end)

1989	6,632	1986	7,672
1988	7,233	1985	7,519
1987	7,818		

* 7-Eleven stores only.
NOTE: The financial data for the five months ended Dec. 31, 1987, reflect the purchase of the Company by JT Acquisition Corporation, and a resultant new basis of accounting.

Sales & Earnings

	Revenues † (000's)	Net Income ‡ (000's)
12/31/89	$ 8,274,900	$ (1,306,900)
12/31/88	7,950,300	(216,200)
12/31/87*	3,211,000	(149,747)
7/31/87+x	4,865,400	90,078
12/31/86x	7,782,700	200,445

	No. of Com. Shares	Earn. Per Share ‡ #
12/31/89	205,041,676	$ —
12/31/88	205,041,676	—
12/31/87*	200,000,000	—
7/31/87+x	48,900,000	1.74
12/31/86x	48,353,999	3.96

(Loss)
* 5 months.
+ 7 months.
x Predecessor company.
† Includes franchised stores and other income; of continuing operations only.
‡ Including extraordinary loss of $56,047,000 in 1989.
# Based on the average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/31/89	$ —	—	—
12/31/88	—	—	—
12/31/87	—	—	—
7/31/87x	0.56	—	—
12/31/86x	1.12	—	—

x Predecessor Company.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
12/31/89	$ (1,715,811)	$ —
12/31/88	(387,559)	—
12/31/87	(150,411)	—
7/31/87x	1,622,954 †	33.19
12/31/86x	1,542,831 †	31.91

(Deficiency)
x Predecessor company.
† After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 8,274,921	$ 7,950,284
Other income	76,962	40,213
Total income	$ 8,351,883	$ 7,990,497

	1989	1988
Cost of sales	6,544,237	6,268,854
Expenses	1,607,312	1,543,090
Write-off of exc. of cost over assets acq.	946,974	—
Interest expense	572,248	560,269
Prof. sh. plan	13,372	15,416
Loss before taxes	$ (1,332,260)	$ (397,132)
Tax credit	(11,984)	(111,900)
Loss-cont. oper.	$ (1,320,276)	$ (285,232)
Inc.-discont. oper.	69,410	69,001
Net Loss	$ (1,250,866)	$ (216,231)
Extraord. loss	(56,047)	—
Net Loss & extraord. loss	$ (1,306,913)	$ (216,231)

• Included in Costs and Expenses, Depreciation and Amortization: $230,155,000 in 1989 and $247,286,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash and cash investments	$ 8,045	$ 21,783
Accts. & notes receiv., net	188,251	208,686
•Inventories	276,112	428,098
Deposits & prepaid expenses	25,483	25,929
Invest. in Citgo	460,687	—
Current Assets	$ 958,578	$ 684,496
#Fixed assets	1,995,330	2,215,238
Investment in Citgo	—	440,777
Exc. of cost over assets acq.	—	986,356
Other assets	484,847	534,644
Total Assets	$ 3,438,755	$ 4,861,511

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 692,508	$ 527,174
Accts. payable & accruals	723,694	692,596
Income taxes	139	377
Curr. Liabilities	$ 1,416,341	$ 1,220,147
Long-term debt	3,457,015	3,787,578
Deferred credits	115,334	96,359
Redeem. pref. stock	139,740	118,850
Comm. stock warrants	26,136	26,136
+Common stock	2,050	2,050
Add. paid-in capital	18,318	18,318
Retained earnings (deficit)	(1,736,179)	(407,927)
Total Liabilities & Shareholders' Equity	$ 3,438,755	$ 4,861,511

• At lower oi cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1989	1988
Sales to Inventories	29.97	18.57
Shareholders' Equity (Deficiency) (000's)	$ (1,715,811)	$ (387,559)

Spiegel, Inc.

1515 West 22nd Street
Oak Brook, Illinois 60522
(708) 986-8800
FAX: (708) 218-7782

(Spiegel Holdings, Inc. holds 97.5% of the Company's Class B Voting common stock.)

Officers: Michael Otto, chairman of the board; John J. Shea, vice chairman, president & chief executive officer; Kenneth A. Bochenski, sr. v.p.-operations & information services; Alton M. Withers, sr. v.p. & chief financial officer; Richard W. Wagner, sr. v.p.-marketing and advertising; Robert E. Conradi, v.p.-merchandise; David C. Moon, v.p.-merchandise; Leo J. Sansone, v.p.-merchandise; Harold S. Dahlstrand, v.p.-human resources; Stanley D. Liebowitz, v.p.-corp. planning; R. Joseph McLaughlin, v.p.-finance; Michael R. Moran, v.p., secretary & general counsel; Sheila W. Sarovich, v.p.-advertising; Karl A. Steigerwald, v.p.-information services; Georgia L. Shonk-Simmons, v.p. & corp. fashion director; Joseph A. Stubits, v.p.-credit; John M. Casey, treasurer.

Directors: Michael Otto, chairman; John J. Shea, Kenneth A. Bochenski, Hans-Christoph Fischer, Horst R. Hansen, Karl-August Hopmann, Max Kullmann, Thomas Bohlman, Jay A. Lipe, Peter Mueller, Alton M. Withers.

Business Activities: Markets wearing apparel, household furnishings and other general merchandise through catalogs distributed to over 30 million households throughout the U.S. Through Honeybee, Inc., a wholly-owned subsidiary, the Company operates 23 retail stores selling medium to upper price, brand-name and designer women's apparel in 9 states. Through Eddie Bauer, Inc., the Company operates 120 retail stores in 24 states and 3 Canadian provinces. These stores offer outdoor-oriented sportswear, footwear and specialty hardware for active men and women. Spiegel, Inc. also operates 10 Ultimate Outlet retail stores in the Chicago area. These stores offer off-price merchandise, primarily composed of Spiegel's overstock inventory. Each of these three retail operations also sells merchandise through mail-order catalogs.

Subsidiaries:

Honeybee, Inc.
681 Fifth Avenue
New York, New York 10022
(212) 752-8851

Cara Corporation
1901 S. Meyers Road
Suite 120
Oakbrook Terrace, Illinois 60148

Spiegel Acceptance Corporation
400 West 9th Street
Suite 101
Wilmington, Delaware 19801

Eddie Bauer, Inc.
15010 N.E. 36th Street
Redmond, Washington 98052
(206) 882-6100

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPGLA* (NASDAQ) *Class A Non-Voting common stock

Number of Stores: (at fiscal year end)

1989	153
1988	109
1987	18

Sales & Earnings

	Net Sales +	Net Income	No. of Com. Shares	Earn. per Share †
1989	$ 1,695,806,000	$ 73,282,000	51,945,827	$ 1.41
1988	1,404,419,000	56,962,000	51,945,827	1.18
1987	1,067,345,000	49,211,000	44,500,000	1.22
1986	1,004,304,000	36,209,000	39,000,000	0.92
1985	852,067,000	12,962,000	39,000,000	0.33

+ Includes other revenues.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.36	—	—
1988	0.24	—	—
1987	0.35	—	—
1986	0.14	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 412,197,000	$ 7.94
1988	357,616,000	6.88
1987	237,800,000	5.34
1986	129,379,000	3.32
1985	108,456,000	2.78

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 1,524,887	$ 1,232,100
Finance revenue	125,825	130,116
Other income	45,094	42,203
Total income	$ 1,695,806	$ 1,404,419
Cost of sales	967,765	802,347
Expenses	546,351	453,408
Interest expense	61,450	56,149
Income before taxes	$ 120,240	$ 92,515
Income taxes	46,958	35,553
Net Income	$ 73,282	$ 56,962

• Included in Costs and Expenses, Depreciation and Amortization: $22,406,000 in 1989 and $13,965,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash	$ 22,676	$ 14,670
Accts. receiv., net	713,190	599,272
•Inventories	269,622	199,390
Prepaid expenses	47,529	32,852
Refund. inc. taxes	4,494	—
Current Assets	$ 1,057,511	$ 846,184
#Fixed assets	123,477	117,480
Intangibles	234,550	237,233
Other assets	8,177	7,745
Total Assets	$ 1,423,715	$ 1,208,642

Liabilities
(000's)

	1989	1988
Long-term debt, curr.	$ 17,900	$ 16,500
Accts. payable	168,418	123,885
Accrued payroll	23,945	17,042
Other accruals	91,873	55,662
Deferred income taxes	23,859	17,846
Curr. Liabilities	$ 325,995	$ 230,935

Long-term debt	619,400	532,000
Deferred income taxes	66,123	88,091
+Common stock:		
Class A	6,000	6,000
Class B	46,571	46,571
Add. paid-in capital	154,229	154,229
Retained earnings	210,934	156,353
Treasury stock	(5,537)	(5,537)
Total Liabilities & Shareholders' Equity	$ 1,423,715	$ 1,208,642

• At lower of cost or market. Spiegel Catalog at average cost, Eddie Bauer at weighted average, and Honeybee by the retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.89	7.51
%Net Income to Sales	4.81	4.62
%Net Income to Equity	17.78	15.93
Sales to Inventories	5.66	6.18
Debt to Equity	1.55	1.53
Working Capital	$ 731,516,000	$ 615,249,000
Current Ratio	3.24	3.66
Shareholders' Equity	$ 412,197,000	$ 357,616,000

The Sporting Life, Inc.

5302 Eisenhower Avenue
P.O. Box 9136
Alexandria, Virginia 22304
(703) 823-1500
FAX: (703) 370-0379

Officers: Charles B. Howard, II, chairman of the board & president; Richard W. Trimble, exec. v.p.; David J. Giovarelli, v.p.-operations; Kaye C. LaLonde, v.p.-marketing; Donald G. Wiland, v.p.-finance & treasurer; John J. Mullenholz, secretary & general counsel.

Directors: Charles B. Howard, II, chairman; Ronald Salyer, James R. Alexander, Jeffrey T. Griffin, John J. Mullenholz.

Areas of Work: Engaged in the direct marketing of traditional women's apparel and related accessories, and the franchising of eight retail stores under the name "The Sporting Life."

Transfer Agent(s):

American Security Bank, N.A.
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPLF (NASDAQ)

Number of Stores:*

1989	8	1987	9
1988	8		

* Franchised stores only.

Sales & Earnings

	Revenues	Net Income †
1989	$ 12,840,971	$ 317,564
1988	12,964,469	(750,530)
1987	13,729,646	78,388
1986	9,216,772	355,715
1985	6,565,312	487,379

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	1,004,749	$ 0.32
1988	992,461	—
1987	974,303	0.08
1986	967,304	0.37
1985	576,070	0.85

(Loss)
† Including extraordinary gains of $117,000 ($0.12 per share) in 1989, $50,000 ($0.05 per share) in 1986 and $220,000 ($0.38 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	2.913894-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 2,724,899	$ 2.71
1988	2,370,810	2.39
1987	3,091,340	3.17
1986	2,804,802	2.90
1985	2,449,087	4.25

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended July 31	1989	1988
Revenues	$ 12,840,971	$ 12,964,469
Cost of revenues	9,110,129	10,425,342
Expenses	3,437,429	3,284,9573
Loss on dispos. of assets	—	187,000
Interest expense	62,446	72,464
Interest income	(48,841)	(38,447)
Other income	(37,756)	(21,317)
Inc. (loss) bef. taxes	$ 317,564	$ (945,530)
Tax credit	117,000	(195,000)
Net Income (Loss)	$ 200,564	$ (750,530)
Extraord. gain	117,000	—
Net Income (Loss) & extraord. gain	$ 317,564	$ (750,530)

• Included in Costs and Expenses, Depreciation and Amortization: $300,962 in 1989 and $311,747 in 1988.

Assets

As of July 31	1989	1988
Cash	$ 175,253	$ 642,487
Accts. receiv., net	460,195	438,908
•Inventories	2,146,278	1,807,420
Deferred catalogue costs	818,127	752,778
Prepaid expenses	38,726	79,883
Current Assets	$ 3,638,579	$ 3,721,476
#Fixed assets	380,985	513,193
Mailing lists	814,857	918,415
Other assets	4,397	4,397
Total Assets	$ 4,838,818	$ 5,157,481

Liabilities

Long-term debt, curr.	$ 86,829	$ 169,808
Accts. payable	870,376	756,860
Cust. deposits	108,613	188,925
Refunds payable	407,124	445,999
Accrued catalogue prod. costs	448,345	586,206
Demand note payable	—	500,000
Other accruals	107,406	91,818
Curr. Liabilities	$ 2,028,693	$ 2,739,616
Long-term debt	85,226	47,055
+Common stock	10,022	9,924
Add. paid-in capital	3,128,699	3,116,272
Retained earnings (deficit)	(353,822)	(671,386)
Deferred comp.	(60,000)	(84,000)
Total Liabilities & Shareholders' Equity	$ 4,838,818	$ 5,157,481

• At lower of cost (FIFO) or market.
Less acumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.47	—
%Net Income to Revenues	1.56	—
%Net Income to Equity	7.36	—
Debt to Equity	0.06	0.09
Working Capital	$ 1,609,886	$ 981,860
Current Ratio	1.79	1.36
Shareholders' Equity	$ 2,724,899	$ 2,370,810

Sprouse-Reitz Stores Inc.

P.O. Box 8996
1411 S.W. Morrison Street
Portland, Oregon 97208-8996
(503) 224-8220
FAX: (503) 796-1087

Officers: Robert A. Sprouse, II, president & chief exec. officer; Michael D. Mulholland, v.p.-finance & chief financial officer; James L. Goss, v.p.-administration, Jack W. Cole, v.p.-merchandising; Jerol C. Downer, v.p.-store operations; Daniel A. Larson, v.p.-human resources.

Directors: J. A. Sprouse, Robert A. Sprouse, II, John E. Sprouse, Donald E. Tripp, Peter F. Bechen.

Business Activities: Operates a chain of variety stores in Arizona, California, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah and Washington.

Transfer Agent(s):

Corporate Trust Department
U.S. National Bank of Oregon
P.O. Box 3850
Portland, Oregon 97208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STRS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	287	1986	321
1988	310	1985	322
1987	313		

Sales & Earnings

	Net Sales	Net Income
1989	$ 222,995,074	$ (1,635,143)
1988	215,941,030	(998,304)
1987	218,578,224	1,348,559
1986	205,652,397	2,477,274
1985	202,793,310	3,520,571

	No. of Com. Shares +	Earn. per Share ‡
1989	1,433,978	$ —
1988	1,433,978	—
1987	1,433,979	0.94
1986	1,433,979	1.73
1985	1,438,665	2.45

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ —	—	—
1988	—	—	—
1987	0.60	—	—
1986	0.60	—	—
1985	0.65	—	10-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 56,872,782	$ 39.66
1988	58,507,925	40.80
1987	59,506,239	41.50
1986	59,018,068	41.16
1985	57,401,182	39.90

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 222,995,074	$ 215,941,030
Cost of sales	167,232,124	160,748,515
Expenses	56,099,761	56,488,593
Charge for future lse. oblig.	1,100,000	—
Interest expense	1,538,511	1,314,877
Interest income	(148,179)	(227,651)
Loss bef. taxes	$ (2,827,143)	$ (2,383,304)
Tax credit	(1,192,000)	(1,385,000)
Net Loss	$ (1,635,143)	$ (998,304)

* Included in Costs and Expenses, Depreciation and Amortization: $2,860,875 in 1989 and $2,783,419 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 3,625,300	$ 8,458,655
Receiv., net	2,143,024	2,718,449
*Inventories	63,097,383	61,274,680
Prepaid expenses	1,257,705	613,790
Deferred tax asset	—	702,253
Current Assets	$ 70,123,412	$ 73,767,827
Leased property under cap leases	2,346,627	2,489,174
#Fixed assets	20,593,653	21,176,179
Other assets	1,786,378	1,277,033
Total Assets	$ 94,850,070	$ 98,710,213

Liabilities

Long-term debt, & cap. lease oblig., curr.	$ 1,971,866	$ 244,600
Accts. payable	13,642,340	16,390,330
Accruals	6,495,801	6,080,553
Curr. liabilities	$ 22,110,007	$ 22,715,483
Long-term debt	9,694,165	11,161,234
Cap. lease oblig.	3,019,662	2,365,978
Deferred tax credits	230,751	342,637
Deferred inc. taxes	2,922,703	3,616,956
+Common stock:		
Voting	3,375,800	3,376,900
Nonvoting	10,963,980	10,962,880
Retained earnings	42,533,002	44,168,145
Total Liabilities & Shareholders' Equity	$ 94,850,070	$ 98,710,213

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 par value.

Statistical Summary

Sales to Inventories	3.53	3.34
Debt to Equity	0.26	0.24
Working Capital	$ 48,013,405	$ 51,052,344
Current Ratio	3.17	2.96
Shareholders' Equity	$ 56,872,782	$ 58,507,925

Standard Brands Paint Company

4300 West 190th Street
Torrance, California 90509-2956
(213) 214-2411
FAX: (213) 542-0151

Officers: Stuart D. Buchalter, chairman of the board & chief executive officer; Marvin Wager, president & chief operating officer; Eric Beck, exec. v.p.; Paul M. Ozawa, v.p., treasurer & chief accounting officer; Dan Bane, v.p.-corp. finance & chief financial officer; Wallace Steadman, v.p.-human resources; Dorothy Cvetas, secretary.

Directors: Irwin R. Buchalter*, Marvyn Carton, Richard H. Loeffler*, Marvin Wager*, Stuart D. Buchalter*, Eric Beck*, Gerald M. Lushing*, Linda Wachner, Wayne H. Fisher.

* Member of the Executive Committee

Business Activities: Owns and operates 142 retail paint and decorating centers in eight western states. Operates eight art materials retail stores in California and Colorado, under the name of The Art Store. Also manufactures paint and paint products.

Subsidiaries:

Major Paint Company
4300 West 190th Street
Torrance, California 90509
(213) 542-5901
Produces paint and paint products.

Zynolyte Products Company
Carson, California
Distributes lines of aerosol spray and specialty paint products.

The Art Store
Art material stores specializing in the needs of the professional, commercial, student and amateur artist.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): New York

Ticker Symbol: SBP

Number of Stores: (at fiscal year end)

1989	150
1988	142
1987	142
1986	148
1985	133

Sales & Earnings

	Net Sales +	Net Income †
1989*	$ 304,356,000	$ 4,816,000
1988	305,475,000	5,400,000
1987	297,203,000	15,007,000
1986	310,061,000	15,808,000
1985	293,363,000	20,779,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1989*	5,715,000	$ 0.57
1988	10,760,000	0.47
1987	11,262,000	1.33
1986	11,271,000	1.40
1985	11,140,000	1.87

* 53 weeks.
+ Of continuing operations only.
† Including extraordinary loss of $1,041,000 ($0.01 per share) in 1988.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.445	—	—
1987	0.575	—	—
1986	0.555	—	—
1985	0.530	—	—

Common Stock Equity

	Tangible Stockholders' Equity	Equity Per Share †
1989	$ 35,334,000	$ 6.17
1988	25,672,000	4.53
1987	168,729,000	15.26
1986	166,050,000	14.69
1985	153,816,000	13.79

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1989 (53 weeks)	1988
Net sales	$ 304,356	$ 305,475
Cost of sales	166,457	166,076
Expenses	113,021	111,052
Interest income	(2,241)	(1,971)
Interest expense	20,224	6,434
Other income	(1,111)	(325)
Restruc. charges	—	7,272
Income before taxes	$ 8,006	$ 16,937
Income taxes	3,200	8,181
Inc.-cont. oper	$ 4,806	$ 8,756
Loss-discont. oper.	(1,135)	(2,315)
Net Income	$ 3,671	$ 6,441
Extraord. loss	—	(1,041)
Cum. effect of acct. change	1,145	—
Net Income & Extraord. loss	$ 4,816	$ 5,400

Assets
(000's)

As of Sept. 30	1989	1988
Cash	$ 6,850	$ 3,696
Accts. & notes receiv., net	7,839	13,687
*Inventories	66,340	70,358
Prepaid expenses	13,900	18,185
Current Assets	$ 94,929	$ 105,926

#Fixed assets	141,564	145,135
Other assets	6,180	7,959
Total Assets	$ 242,673	$ 259,020

Liabilities
(000's)

Long-term debt, curr.	$ 5,883	$ 2,206
Notes payable	—	1,000
Accts. payable	11,743	15,216
Accruals	16,772	18,324
Curr. Liabilities	$ 34,398	$ 36,746
Long-term debt	165,182	185,693
Def. inc. taxes	4,963	6,830
+Preferred stock	2	1
++Common stock	58	57
Add. paid-in capital	16,567	11,970
Retained earnings	37,612	34,292
Treasury stock	(902)	(906)
Receivables	(15,207)	(15,663)
Total Liabilities & Shareholders' Equity	$ 242,673	$ 259,020

• At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; 10% cumulative.
++ $0.01 par value.

Statistical Summary

%Net Income to Equity	9.63	21.65
Sales to Inventories	4.59	4.34
Debt to Equity	4.49	6.35
Working Capital	$ 60,531,000	$ 69,180,000
Current Ratio	2.76	2.88
Shareholders' Equity	$ 38,130,000	$ 29,751,000

Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701
FAX: (603) 893-7324

Officers: Daniel E. Hogan, chairman of the board; Thomas L. King, president & chief exec. officer; Warren S. Cooper, vice chairman; David R. Crichton, exec. v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, controller; Thomas H. DeWitt, exec. v.p.-administration & general counsel; Norman B. Asher, asst. secretary; Lindsey M. Sedwick, treasurer; Deborah A. Rosen, asst. secretary & sr. corp. attorney; Tom L. Peterson, corp. counsel & secretary; Robert R. Kettinger, asst. controller; Kenneth Foden, asst. controller-Europe.

Directors: Daniel E. Hogan•, chairman; John Bolten, Jr., William L. Brown•, Warren S. Cooper•, Walter F. Greeley, Samuel S. Dennis, III•, Thomas L. King•, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, H. Nicholas Muller, III, Thomas H. DeWitt.

• Member of the Executive Committee

Business Activities: The Electronics Group manufactures electronic components, inductors, capacitors, connectors, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems; ducting for heating, air-conditioning, and ventilation systems; hydraulic cylinders; power metal spinning of components for aerospace, energy systems, and industrial applications. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, barbecuing and baking equipment, candlelamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Graphics/Mail Order Group publishes religious literature and manufactures election supplies; manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 15 Berean religious retail bookstores; and sells grapefruit and other gift packages and fund-raising supplies through other mail order operations.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SXI

Number of Stores: (at fiscal year end)

1989 18
1988 17
1987 37
1986 41
1985 43

Sales & Earnings

	Net Sales	Net Income
1989	$ 443,794,617	$ 22,283,531
1988	429,731,701	13,087,580
1987	409,172,577	17,355,000
1986	376,322,000	15,593,000
1985	375,275,000	18,568,000

	No. of Com. Shares #	Earn. per Share #
1989	11,113,000	$ 2.01
1988	11,929,000	1.10
1987	12,350,000	1.41
1986	13,040,000	1.20
1985	13,601,000	1.37

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1989	1988
Graphics/mail order	$ 142,811	$ 156,786
Institutional	169,271	162,196
Industrial	130,719	109,909
Other	994	841
Total	$ 443,795	$ 429,732

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.60	—	—
1988	0.55	—	—
1987	0.52	—	—
1986	0.52	—	—
1985	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 137,142,000	$ 13.32
1988	156,429,000	13.71
1987	159,664,000	13.05
1986	146,784,000	11.85
1985	147,251,000	10.94

Income Account

Year ended June 30	1989	1988
Net sales	$ 443,794,617	$ 429,731,701
Other income	2,247,533	1,108,489
Total income	$ 446,042,150	$ 430,840,190
Cost of sales	289,479,788	274,743,132
Expenses	103,473,370	106,751,528
Depreciation & amortization	10,777,729	10,786,831
Interest expense	6,760,732	5,421,518
Loss on dispos. of Yield House	—	10,715,601
Income before taxes	$ 35,550,531	$ 22,421,580
Income taxes	13,267,000	9,334,000
Net Income	$ 22,283,531	$ 13,087,580

Assets

As of June 30	1989	1988
Cash	$ 7,937,756	$ 12,198,867
Receiv., net	69,570,774	63,193,072
•Inventories	88,838,102	85,714,484
Prepaid expenses	3,365,366	3,502,663
Current Assets	$ 169,711,998	$ 164,609,086
#Fixed assets	82,010,750	83,314,331
Receivables	9,766,015	15,644,502
Intangibles	15,624,913	12,618,739
Total Assets	$ 277,113,676	$ 276,186,658

Liabilities

Notes payable & long-term debt, curr.	$ 8,255,844	$ 9,540,658
Accts. payable	27,276,727	25,448,416
Accrued payroll	13,579,856	12,376,489
Income taxes	6,978,923	2,728,562
Other accruals	5,715,743	6,939,593
Curr. Liabilities	$ 61,807,093	$ 57,033,718
Long-term debt	64,979,128	48,786,200
Deferred inc. taxes	8,924,000	11,744,000
Other liab.	4,261,066	2,193,928
+Common stock	20,988,209	20,988,209
Add. paid-in capital	6,027,893	5,629,734
Retained earnings	179,572,746	163,818,152
Cum. trans. adjust.	(1,387,303)	4,281,748
Treasury stock	(65,226,017)	(38,289,031)
Loan receiv.-ESOP	(2,833,139)	—
Total Liabilities & Shareholders' Equity	$ 277,113,676	$ 276,186,658

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.01	5.22
%Net Income to Sales	5.02	3.05
%Net Income to Equity	16.25	8.37
Sales to Inventories	5.00	5.01
Debt to Equity	0.53	0.37
Working Capital	$ 107,904,905	$ 107,575,368
Current Ratio	2.75	2.89
Shareholders' Equity	$ 137,142,389	$ 156,428,812

State-O-Maine, Inc.

10 West 33rd Street
New York, New York 10001
(212) 244-1111
FAX: (212) 947-1534

Officers: Milton Weinick, chairman of the board & secretary; Harvey Sanders, president & treasurer; David Chu, president-Nautica International, Inc.; Keith Munroe, sr. v.p.-marketing, Nautica International, Inc.; Sharon Burd, corp. controller; Charles Zona, president-Van Baalen Pacific Corp.; Harris Cohen, treasurer & secretary; Stephen Tagliaferro, exec. v.p. & national sales manager-Van Baalen Pacific Corp.; Larry Ingram, v.p.-manufacturing-Van Baalen Pacific Corp.; Jeff Matthews, v.p. & sales manager-furnishings, Van Baalen Pacific Corp.; Robert M. Mitchell, manager-Data Processing; Richard Carman, v.p.-Men's

Division; Alan Engelson, sr. merchandise & production manager-Nautica International, Inc.; Cinthia Waas, national sales manager,Ladies Division-Nautica International Inc.; John Wetzler, v.p.-Nautica Retail.

Directors: Milton Weinick, chairman; Harvey Sanders, David Chu, George Greenberg, Robert B. Bank, Israel Rosenzweig.

Business Activities: Operates two men's retail clothing stores in New York City and Newport Beach, California under the Nautica name and three Nautica outlet stores located in Kittery, Maine; Niagara Falls, New York; and Chattanooga, Tennessee. Also manufactures and distributes men's swimwear, loungewear, robes, and sportswear, and women's outerwear, activewear, and sportswear.

Subsidiaries:

Van Baalen Pacific Corp.
Nautica Apparel, Inc.
Nautica Retail N.Y., Inc. of Newport Beach
Nautica, Inc.
Nautica Hong Kong Limited
Nautica of Kittery, Inc.
Nautica of Niagara Falls, Inc.
Nautica of Chattanooga, Inc.
Nautica International, Inc.
Nautex International

Transfer Agent(s):

Harris Trust Company of New York
77 Water Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOME (NASDAQ)

Number of Stores:

1989	15	1988	2

Sales & Earnings

	Net Sales +	Net Income
1990	$ 95,349,052	$ 5,757,127
1989	74,991,070	5,426,876
1988	55,267,944	4,062,108
1987	36,252,833	2,087,874
1986	28,925,861	1,572,695

	No. of Com. Shares #	Earn. per Share #
1990	5,005,498	$ 1.15
1989	4,471,791	1.21
1988	3,580,483	1.13
1987	3,263,694	0.64
1986	3,248,395	0.49

+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	5-for-4
1989	—	—	6-for-5
1988	—	—	5-for-4
1987	—	—	6-for-5

Common Stock Equity

	Total Equity	Equity Per Share#
1990	$ 38,554,956	$ 7.70
1989	32,506,762	7.27
1988	16,224,345	4.53
1987	9,955,179	3.05
1986	7,856,955	2.42

Adjusted to reflect stock splits.

Income Account *

Year ended Feb. 28	1990	1989
Net sales	$ 95,349,052	$ 74,991,070
Cost of sales	57,209,923	46,230,798
Expenses	27,737,928	18,818,634
Interest expense	553,099	609,136
Royalty income	(222,276)	(230,487)
Other expense (income)	295,059	(102,093)
Income before taxes	$ 9,775,319	$ 9,665,082
Income taxes	4,018,192	4,238,206
Net Income	$ 5,757,127	$ 5,426,876

* Included in Costs and Expenses, Depreciation and Amortization: $1,536,296 in 1990 and $1,407,642 in 1988.

Assets

As of Feb. 28	1990	1989
Cash	$ 356,065	$ 1,498,385
Accts. receiv., net	16,968,339	14,091,900
*Inventories	15,608,309	8,376,522
Prepaid expenses	4,849,285	3,469,944
Deferred tax benefit	1,151,320	576,320
Current Assets	$ 38,933,318	$ 28,013,071
#Fixed assets	10,502,893	6,932,258
Other assets	3,579,616	3,167,088
Total Assets	$ 53,015,827	$ 38,112,417

Liabilities

Notes payable	$ 5,897,000	$ —
Long-term debt, curr.	67,333	67,333
Accts. payable	3,403,521	1,374,682
Accruals	3,767,903	2,899,262
Income taxes	278,250	275,181
Curr. Liabilities	$ 13,414,007	$ 4,616,458
Long-term debt	552,004	619,337
Def. inc. taxes	494,860	369,860
+ Common stock	490,639	391,903
Add. paid-in capital	13,270,478	13,381,408
Common stock options outstanding	1,678,444	2,352,108
Retained earnings	23,824,595	18,067,468
Treasury stock	(64,092)	(64,707)
Def. comp. on stock options	(645,108)	(1,621,418)
Total Liabilities & Shareholders' Equity	$ 53,015,827	$ 38,112,417

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.25	12.89
%Net Income to Sales	6.04	7.24
%Net Income to Equity	14.93	16.69
Sales to Inventories	6.11	8.95
Debt to Equity	0.02	0.02
Working Capital	$ 25,519,311	$ 23,396,613
Current Ratio	2.90	6.07
Shareholders' Equity	$ 38,554,956	$ 32,506,762

Steinberg Inc.

2 Place Alexis-Nihon
3500 de Maisonneuve West
Montreal, Quebec, H3Z 1Y3, Canada
(514) 931-9131

Officers: Melvyn A. Dobrin, chairman of the board; Irving Ludmer, president & chief executive officer; M. William Cleman, pres.-Real Estate Group; Jean-Roch Vachon, pres.-Food Group, Canada; H. Arnold Steinberg, exec. v.p.-finance & development; Michael P. Kershaw, pres.-M. Stores; William D. Hart, v.p., general counsel & secretary; Alain Bilodeau, group v.p.-human resources & industrial relations; Alain Germain, group v.p. & gen. mgr.-Steinberg Restaurant Group; Pierre Brodeur, president & gen. mgr.-Steinberg Quebec; Laurier Carpentier, v.p.-finance & treasurer; Ronald M. Kirshner, president-Ivanhoe; Marcel Croux, v.p.-systems & chief information officer; Harry Lutgens, group v.p.-Valdi Foods Inc.; Bernard McDonell, v.p.-real estate (Quebec); Pierre Guilbault, v.p. & comptroller; Ron Christoffer, v.p.-architecture & construction; Harold G. Geraghty, v.p.-development & expansion (Ontario); Douglas R. Long, v.p.-communications; Mark Sellors, asst. treasurer; Michel Beland, assistant secretary.

Directors: Andre Charron, J. V. Raymond Cyr*, Gerard Plourde*, H. Arnold Steinberg*, Irving Ludmer*, Marc Lalonde, Norman E. Auerbach*, Melvyn A. Dobrin*, Evelyn S. Alexander, Marilyn S. Cobrin, Guylaine Saucier.

* Member of the Executive Committee

Business Activities: Operates food stores in the provinces of Quebec, New Brunswick, and Ontario. Also operates discount department stores under the name of M. Stores. Other businesses include restaurants, flour milling, bakery and food processing operations, with restaurant activities in Manitoba, and box stores in Ontario, Manitoba, Saskatchewan and Alberta.

Divisions:

Steinberg Quebec
5400 Hochelaga Street
Montreal, Quebec H1N 1V9, Canada
(514) 252-7765
Operates 109 food stores in Quebec and eastern Ontario.

Ontario Supermarket Division
65 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000
Operates 69 food stores in southern and northwestern Ontario.

Trillium Meats
71 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000
Wholesale operations and Steinberg Distribution.

Steinberg Restaurant Group
3500 De Maisonneuve West
2, Alexis Nihon Plaza
Westmount, Quebec H3Z 1Y3, Canada
(514) 931-9131
Operates 240 fast food restaurants, including franchised units.

Subsidiaries:

M. Stores Inc.
5151 Thimens Boulevard
Ville St.-Laurent Avenue
Montreal H4R 2C8, Quebec, Canada
(514) 333-6111
Operates 20 department stores in Quebec and Ontario.

Smitty's Super Valu, Inc.
2626 South Seventh Street
Phoenix, Arizona 85034
(602) 262-1000
Operates 25 supermarket-department stores in the U.S. Southwest.

Valdi Foods (1987) Inc.
155 Rexdale Blvd.
Etobicoke, Onatrio, M9W 5Z8, Canada
(416) 744-2260
Operates 74 food stores, primarily under the name "Valdi Foods."

Ivanhoe Inc.
3500 De Maisonneuve West
2 Alexis Nihon Plaza
Westmount, Quebec H3Z 1Y3, Canada
(514) 931-9131
Engaged in ownership and development of shopping centers.

Oak Pharmacies Limited
65 Rexdale Boulevard
Etobicoke, Ontario M9W 1P2, Canada
(416) 747-3000

Operates the pharmacy sections of 11 Ultra-Mart and the Xtra food/drug stores in Ontario.

Franchises 5-16-11 (1988) Inc.
P.O. Box 310
Westmount Station
Westmount, Quebec, H3Z 2T5, Canada
(514) 934-7798

Develops and franchises "Les 5 Saisons" premium quality perishable food stores in Quebec.

Aligro Inc.
733 Smith Boulevard South
Thetford-Mines, Quebec, G6G 6K4, Canada
(418) 338-4545

Operates cash-and-carry centers, food distribution centers, affiliated, independent and retail food stores in Quebec and eastern New Brunswick.

Salisbury House

Operates coffee shops in Winnipeg.

Transfer Agent(s):

Montreal Trust Company
Montreal, Halifax, Toronto, Winnipeg, Regina, Calgary & Vancouver, Canada.

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: SBG

Number of Stores:

	Supermarkets	Dept. Stores
1988	200	20
1987	217	21
1986	227	31
1985	239	31
1984	241	32

	Restaurants*	Grocery Stores
1988	159	69
1987	154	66
1986	162	66
1985	173	66
1984	189	88

*Excludes franchised units.

Sales & Earnings +

	Net Sales † (000')	Net Income x (000's)
1988	$ 4,584,685	$ (17,011)
1987	4,491,355	66,926
1986	4,041,948	38,938
1985	3,801,247	73,634
1984	3,341,580	15,021

	No. of Com. Shares ‡	Earn. per Share x‡
1988	21,152,722	$ —
1987	19,546,702	2.87
1986	16,772,376	1.51
1985	16,752,576	4.19
1984	14,252,576	0.24

(Loss)
+ In Canadian dollars.
† Includes operating revenues.
x Including extraordinary gain of $8,457,000 ($0.45 per share) in 1987 and extraordinary loss of $4,099,000 in 1988.
‡ Based on class A and Common Shares combined adjusted to reflect stock split.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1988	$ 0.50	—	—
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	2-for-1
1984	0.50	—	—

# Paid on Class A and common stock adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡ ‡
1988	$ 519,931,000	$ 24.58
1987	541,133,000	27.68
1986	401,446,000	23.93
1985	382,059,000	22.81
1984	276,250,000	19.38

‡ After allowing for cum. redeem. preferred shares, series A at par value of $100; second preferred shares, series one and two, at par value of $25; second preference shares, series A at redemption value of $25 and series B at stated value (U.S. $25); third preferred shares, series I at redemption value of $30.24; fourth preferred shares, series I at stated value of $3 per share and series II at redemption value of $100,000 per share.
‡ ‡ Based on Class A and common stock combined adjusted to reflect stock split.

Income Account
(000's)

Year ended	7/30/88	7/25/87
Net sales & oper. rev.	$ 4,584,685	$ 4,491,355
Cost of sales & expenses	3,701,054	3,591,884
Wages & empl. benefits	719,220	717,817
Rentals	39,375	40,230
Depreciation & amortization	69,606	54,391
Interest exp.	52,452	45,335
Loss (gain) on disposal of fixed assets	1,125	(7,068)
Interest income	(15,684)	(20,687)
Other income	(11,945)	(16,149)
Income (loss) bef. taxes	$ 29,482	$ 85,602
Income taxes (credit)	(29,625)	23,577
Minority interest	999	856
Special charge	71,020	2,700
Net Income (Loss)	$ (12,912)	$ 58,469
Extraord. items	(4,099)	8,457
Net Income (Loss) & Extraord. items	$ (17,011)	$ 66,926

Assets
(000's)

As of	7/30/88	7/25/87
Cash & invest.	$ 138,765	$ 162,207
Accts. receiv., net	83,752	90,912
Inc. taxes recov.	1,291	—
*Inventories	310,184	340,488
Prepaid expenses	23,777	24,450
Current Assets	$ 557,769	$ 618,057
#Fixed assets-real estate	226,180	202,866
#Fixed assets-retail & mfg.	491,506	423,181
Other assets	152,630	154,049
Def. income taxes	16,169	—
Total Assets	$ 1,524,633	$ 1,469,353

Liabilities
(000's)

Bank advances	$ 30,849	$ —
Notes payable	2,633	21,100
Long-term debt, curr.	14,976	29,647
Accts. payable & accruals	368,973	361,101
Dividends payable	23	23
Income taxes	—	1,356
Def. inc. taxes	529	525
Curr. Liabilities	$ 417,983	$ 413,752
Long-term debt	454,103	347,611
Minority interest	2,655	2,726
Deferred inc. taxes	—	15,475
Other liabilites	24,274	—
+Series A 5.25% preferred	1,740	1,759
++$1.95 second preferred	33,753	34,888
++var. rate second preferred	17,950	18,600
+++$2.9375 series A	34,388	35,625
+++U.S. $2.875 series B	—	20,143
+++$2.72 third preferred	—	22,125
+++$0.0002 fourth preferred	14,856	15,516
+++$6,000 fourth preferred	3,000	—
+++Class A	203,229	174,983
+++Common stock	12,176	12,176
Add. paid-in capital	2,647	2,516
Retained earnings	306,353	347,223
Cum. trans adj.	(4,474)	4,235
Total Liabilities Shareholders' Equity	$ 1,524,633	$ 1,469,353

* At lower of cost (retail & average) and net realizable value. U.S. inventories at lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value
+ + $25 par value.
+ + + No par value.

Statistical Summary

%Income bef. Taxes to Sales	0.64	1.91
%Net Income to Sales	—	1.30
%Net Income to Equity	—	8.48
Debt to Equity	0.80	0.58
Working Capital	$ 139,786,000	$ 204,305,000
Current Ratio	1.33	1.49
Shareholders' Equity	$ 625,618,000	$ 689,789,000

Strawbridge & Clothier

801 Market Street
Philadelphia, Pennsylvania 19107-3199
(215) 629-6000
FAX: (215) 629-7835

Officers: Francis R. Strawbridge, III, chairman of the board; Peter S. Strawbridge, president; Ronald B. Avellino, v.p.-planning, development & research; Richard H. Hall, exec. v.p.-control, operations & personnel; Warren W. White, exec. v.p. & gen. mgr.-Clover Div.; Steven L. Strawbridge, v.p., treasurer & secretary; David W. Strawbridge, v.p.-personnel; Robert G. Muskas, v.p.-stores; William A. Timmons, v.p.-sales promotion; George L. Compton, v.p. & general merch. mgr.; Charles D. Hollander, v.p. & gen. merch. mgr.; Natalie B. Weintraub, v.p. & gen. merch. mgr.; Thomas S. Rittenhouse, v.p. & controller; William A. Rittmayer, v.p.-control & operations, Clover Div.; Louis F. Busico, v.p. & general merchandise manager, Clover Div.; G. Leonard Shea, v.p.-personnel & services, Clover Div.; Robert A. Hoffner, v.p.-stores, Clover Div.; John J. Leahy, v.p. & gen. superintendent; Alice T. Kanigowski, v.p. & general merchandise mgr.-Clover Div.; E. Spencer Quill, v.p.-administration & distribution.

Directors: Winthrop deV. Schwab, James M. Gassaway, II, Francis R. Strawbridge, III*, Peter S. Strawbridge*, David W. Strawbridge*, Isaac H. Clothier, IV, Steven L. Strawbridge*, Warren W. White*, Margaret S. Clews, Anne C. Longstreth, Richard H. Hall*, Paul E. Shipley, Thomas B. Harvey, Jr..

* Member of the Executive Committee

Business Activities: Operates 13 department stores and 24 discount variety stores in Pennsylvania, New Jersey and Delaware. The department stores operate under the Strawbridge & Clothier name; the discount variety stores operate under the Clover name.

Transfer Agent(s):

Mellon Bank (East) N.A. (preferred stock)
Corporate Trust Division
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Mellon Securities Trust Company (common stock)
Mellon Securities Transfer Services
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STRWA (NASDAQ)

Number of Stores: (at fiscal year end)

1989	37	1986	33
1988	35	1985	32
1987	33		

Sales & Earnings

	Net Sales ‡	Net Income
1989*	$ 950,306,000	$ 31,159,000
1988	904,196,000	27,270,000
1987	814,313,000	27,014,000
1986	739,117,000	20,692,000
1985	686,929,000	24,086,000

	No. of Com. Shares †	Earn. per Share †
1989*	9,119,330	$ 3.41
1988	9,000,529	3.02
1987	8,949,638	3.01
1986	8,917,074	2.31
1985	8,756,904	2.74

* 53 weeks.
‡ Includes leased department sales.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 1.93	7%	—
1988	1.81	7%	—
1987	1.40	7%	—
1986	0.98	7%	—
1985	0.53	7%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 234,777,000	$ 25.88
1988	210,761,000	23.42
1987	190,050,000	21.31
1986	167,922,000	19.00
1985	151,504,000	17.26

† Adjusted to reflect stock dividends.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 950,306,000	$ 904,196,000
Other income	654,000	591,000
Total income	$ 950,960,000	$ 904,787,000
Cost of sales	687,713,000	660,412,000
Expenses	155,436,000	150,177,000
Depreciation	24,565,000	21,904,000
Pension cost	1,738,000	1,713,000
Interest expense	25,386,000	22,112,000
Prov. for doubtful accts.	4,396,000	3,443,000
Income before taxes	$ 51,726,000	$ 45,026,000
Income taxes	20,567,000	17,756,000
Net Income	$ 31,159,000	$ 27,270,000

Assets

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 1,932,000	$ 3,444,000
Accts. receiv., net	159,822,000	165,093,000
*Inventories	139,149,000	130,434,000
Prepaid expenses	6,632,000	6,458,000
Current Assets	$ 307,535,000	$ 305,429,000
#Fixed assets	301,228,000	279,337,000
Other assets	9,783,000	8,512,000
Total Assets	$ 618,546,000	$ 593,278,000

Liabilities

Notes payable	$ 12,000,000	$ 34,000,000
Long-term debt & cap. lease oblig., curr.	9,767,000	7,971,000
Accounts payable	65,008,000	52,959,000
Accruals	13,015,000	13,710,000
Income taxes	14,130,000	10,172,000
Deferred inc. taxes	5,204,000	7,711,000
Curr. Liabilities	$ 119,124,000	$ 126,523,000
Long-term debt	167,188,000	154,267,000
Cap. lease oblig.	59,179,000	63,773,000
Other liab.	37,256,000	36,755,000
+Redeem pref. stock	1,022,000	1,199,000
++Common stock	8,478,000	7,860,000
Add. paid-in capital	118,729,000	97,106,000
Retained earnings	107,570,000	105,795,000
Total Liabilities & Shareholders' Equity	$ 618,546,000	$ 593,278,000

* At cost (LIFO).
# Less accumulated depreciation.
+ $100 par value; $5 cumulative.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.44	4.98
%Net Income to Sales	3.28	3.02
%Net Income to Equity	13.27	12.94
Sales to Inventories	6.83	6.93
Debt to Equity	1.06	1.23
Working Capital	$ 188,411,000	$ 178,906,000
Current Ratio	2.58	2.41
Shareholders' Equity	$ 234,777,000	$ 210,761,000

The Stride Rite Corporation

5 Cambridge Center
Cambridge, Massachusetts 02142
(617) 491-8800
FAX: (617) 491-8402

Officers: Arnold Hiatt, chairman; Ronald J. Jackson, pres. & chief exec. officer; John J. Phelan, exec. v.p. & treasurer; Michel Y. Ohayon, exec. v.p.-sourcing; Ronald Sykes, sr. v.p.-human resources; Marcia C. Morris, sr. v.p., general counsel, secretary & clerk; John M. Kelliher, corp. controller.

Directors: Arnold Hiatt, chairman of the board; John J. Phelan, Walter J. Salmon, Myles J. Slosberg, Ronald J. Jackson, Margaret A. McKenna, Donald R. Gant.

Business Activities: Manufactures and markets children's footwear under the names Stride Rite, Keds and Zips; boating and recreational shoes under the name Sperry Top-Sider; and casual and athletic footwear for children and adults under the names Keds, Pro-Keds and Grasshoppers. These products are sold through independent retail shoe stores, department stores, sporting goods stores and marinas, as well as through its 190 Stride Rite Bootery stores, and 67 leased departments in leading department stores.

Subsidiaries:

The Keds Corporation

Sperry Top-Sider, Inc.

Stride-Rite Children's Group

Stride-Rite International, Ltd.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SRR

Number of Stores:* (at fiscal year end)

1989	257	1986	257
1988	268	1985	237
1987	279		

* Includes leased departments.

Sales & Earnings

	Net Sales #	Net Income †
1989	$ 454,373,000	$ 45,672,000
1988	378,788,000	31,786,000
1987	293,767,000	24,121,000
1986	245,317,000	17,014,000
1985	237,750,000	11,178,000

	No. of Com. Shares +	Earn. per Share † ‡
1989	26,704,000	$ 1.69
1988	26,873,000	1.16
1987	27,632,000	0.80
1986	30,128,000	0.56
1985	30,116,000	0.37

# Of continuing operations only.
† Including extraordinary gain of $489,000 ($0.02 per share) in 1985.
+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1989	$ 0.3500	--	2-for-1
1988	0.2750	—	—
1987	0.2275	—	2-for-1
1986	0.2000	—	—
1985	0.2000	—	—

‡ Adjusted to reflect stock splits.

The Stride Rite Corporation

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 166,662,000	$ 6.24
1988	134,030,000	4.99
1987	119,237,000	4.32
1986	122,729,000	4.07
1985	111,526,000	3.70

‡ Adjusted to reflect stock split.

Income Account *

Year ended	12/1/89	12/2/88
Net sales	$ 454,373,000	$ 378,788,000
Cost of sales	251,372,000	214,047,000
Expenses	124,619,000	106,920,000
Invest. income	(1,816,000)	(1,195,000)
Interest expense	3,248,000	1,740,000
Other expense (income)	52,000	(252,000)
Income before taxes	$ 76,898,000	$ 57,528,000
Income taxes	30,732,000	22,788,000
Inc.-cont. oper.	$ 46,166,000	$ 34,740,000
Loss-discont. oper.	(494,000)	(4,677,000)
Cum. effect of acct. change	—	1,723,000
Net Income	$ 45,672,000	$ 31,786,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,413,000 in 1989 and $3,933,000 in 1988.

Assets

As of	12/1/89	12/2/88
Cash & cash equivalents	$ 24,773,000	$ 12,643,000
Accts. receiv., net	68,437,000	59,690,000
*Inventories	108,183,000	108,874,000
Deferred inc. taxes	15,495,000	12,917,000
Prepaid expenses	2,732,000	2,466,000
Net assets-discont. oper.	—	16,236,000
Current Assets	$ 219,620,000	$ 212,826,000
#Fixed assets	22,614,000	23,301,000
Other assets	7,795,000	6,601,000
Intangibles	1,647,000	1,736,000
Total Assets	$ 251,676,000	$ 244,464,000

Liabilities

Long-term debt, curr.	$ 833,000	$ 833,000
Short-term borrowings	—	29,600,000
Accts. payable	21,001,000	18,773,000
Inc. taxes payable	14,859,000	14,364,000
Accruals	27,719,000	24,999,000
Curr. Liabilities	$ 64,412,000	$ 88,569,000
Long-term debt	5,833,000	6,667,000
Deferred inc. taxes	14,769,000	15,198,000
+Common stock	14,237,000	7,603,000
Add. paid-in capital	22,118,000	29,870,000
Retained earnings	163,369,000	126,999,000
Treasury stock	(33,062,000)	(30,442,000)
Total Liabilities & Shareholders' Equity	$ 251,676,000	$ 244,464,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	27.40	23.72
Sales to Inventories	4.20	3.48
Debt to Equity	0.04	0.28
Working Capital	$ 155,208,000	$ 124,257,000
Current Ratio	3.41	2.40
Shareholders' Equity	$ 166,662,000	$ 134,030,000

Stuarts Department Stores, Inc.

16 Forge Parkway
Franklin, Massachusetts 02038
(508) 520-4540
FAX: (508) 520-4556

Mailing address:
P.O. 9101
Hopkinton, Massachusetts 01748-9101

Officers: Marc C. Ostrow, chairman; Joseph Ettore, president; Earle Spokane, sr. v.p.-finance, chief financial officer & secretary; David Ferguson, sr. v.p.-operations; Denis Lemire, sr. v.p.-merchandising.

Directors: Marc C. Ostrow, chairman; James J. Fuld, Jr., Judd S. Meltzer, Joseph Ettore.

Business Activities: Operates a chain of discount department stores, with emphasis on apparel, throughout New England.

Transfer Agent(s):

State Street Bank & Trust Company
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STUS (NASDAQ)

Number of Stores: (at fiscal year end)

1990	23
1989	20
1988	20
1987	21
1986	16

Sales & Earnings

	Net Sales	Net Income
1990*	$ 140,002,000	$ (548,000)
1989	130,364,000	883,000
1988	128,953,000	585,000
1987	120,261,000	1,251,000
1986	84,887,000	2,520,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990*	4,304,674	$ —
1989	4,301,126	0.21
1988	4,386,448	0.13
1987	4,329,170	0.29
1986	4,081,821	0.62

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	—
1989	—	—	—
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 16,985,499	$ 3.95
1989	17,551,423	4.08
1988	16,558,336	3.77
1987	15,755,231	3.64
1986	14,095,361	3.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 140,002,176	$ 130,363,840
Other income	1,840,485	1,689,422
Total income	$ 141,842,661	$ 132,053,262
Cost of sales	102,034,768	94,012,114
Expenses	36,753,572	33,416,733
Depreciation & amortization	2,130,705	1,667,340
Interest expense	1,801,962	1,367,534
Income (loss) before taxes	$ (878,346)	$ 1,589,541
Income taxes (credit)	(330,000)	707,000
Net Income (Loss)	$ (548,346)	$ 882,541

Assets

As of	2/3/90	1/28/89
Cash	$ 1,686,381	$ 1,635,735
*Inventories	27,982,983	26,684,341
Inc. tax receiv.	762,239	57,355
Other curr. assets	2,040,884	1,367,822
Current Assets	$ 32,472,487	$ 29,745,253
#Fixed assets	9,399,161	7,743,027
Leaseholds	5,236,590	4,788,721
Exc. of costs over assets acq.	451,735	470,796
Other assets	477,589	350,698
Total Assets	$ 48,037,562	$ 43,098,495

Liabilities

Long-term debt, curr.	$ 1,250,000	$ —
Accts. payable	10,928,620	8,287,395
Accrued rent	1,067,530	838,073
Other accruals	3,123,862	3,664,196
Curr. Liabilities	$ 16,370,012	$ 12,789,664
Long-term debt	12,450,000	11,100,000
Deferred inc. taxes	1,610,288	1,425,288
Other liabilities	621,763	232,120
+Common stock	52,034	52,011
Add. paid-in capital	11,402,487	11,396,504
Retained earnings	7,338,813	7,887,159
Treasury stock	(1,807,835)	(1,784,251)
Total Liabilities & Shareholders' Equity	$ 48,037,562	$ 43,098,495

* At lower of cost (FIFO) or market.
* Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.22
%Net Income to Sales	—	0.68
%Net Income to Equity	—	5.03
Sales to Inventories	5.00	4.89
Debt to Equity	0.81	0.63
Working Capital	$ 16,102,475	$ 16,955,589
Current Ratio	1.98	2.33
Shareholders' Equity	$ 16,985,499	$ 17,551,423

Sunshine-Jr. Stores, Inc.

June Avenue & 17th Street
P.O. Box 2498
Panama City, Florida 32402
(904) 769-1661
FAX: (904) 769-5499

Officers: Leona J. Lewis, chairman; Lana Jane Lewis-Brent, vice chairman, president & chief executive officer; Harold Millis, v.p.- construction & maintenance; James Burkhalter, v.p.-sales; Richard McAllister, sr. v.p.-operations & marketing & chief operating officer; Annette Trujillo, v.p.-marketing & merchandising; Len Miller, sr. v.p.-finance & accounting & chief financial officer; Carol Ralph, assistant to the president/corporate communications.

Directors: Leona J. Lewis, Lana Jane Lewis-Brent, Buford F. Ennis, Roberta Fox, Harold C. Pope, Wilbur Brewton.

Business Activities: Owns and operates supermarkets and convenience stores offering self-service gasoline under the names "Sunshine Supermarkets" and "Jr. Food Stores." Units are located in Florida, Alabama, Georgia, Mississippi, and Louisiana.

Divisions:

Jr. Food Stores
June Avenue & 17th Street
Panama City, Florida 32402
(904) 769-1661

Sunshine Supermarkets
June Avenue & 17th Street
Panama City, Florida 32402
(904) 769-1661

Transfer Agent(s):

AmeriTrust Company, N.A.
Cleveland, Ohio 44101

Stock Exchange(s): American

Ticker Symbol: SJS

Number of Stores: (at fiscal year end)

1989	307	1986	330
1988	309	1985	340
1987	316		

Sales & Earnings

	Net Sales	Net Income
1989	$ 191,300,000	$ 613,423
1988	172,700,000	1,366,364
1987*	180,100,000	1,039,323
1986	167,300,000	2,736,800
1985	184,100,000	2,497,098

	No. of Com. Shares ‡	Earn. per Share ‡
1989	1,701,650	$ 0.36
1988	1,701,650	0.80
1987*	1,701,650	0.61
1986	1,701,650	1.61
1985	1,701,650	1.47

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ —	—	—
1988	0.48	—	—
1987	0.48	—	—
1986	0.48	—	—
1985	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1989	$ 24,071,947	$ 14.15
1988	23,662,722	13.91
1987	23,113,150	13.58
1986	22,890,619	13.45
1985	20,970,611	12.32

Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	12/28/89	12/29/88
Net sales	$ 191,343,338	$ 172,708,117
Cost of sales	146,652,853	131,327,507
Expenses	41,805,330	38,872,494
Interest expense	1,658,732	1,055,301
Income before taxes	$ 1,226,423	$ 1,452,815
Income taxes	613,000	709,186
Cum. effect of acct. change	—	(622,735)
Net Income	$ 613,423	$ 1,366,364

* Included in Costs and Expenses, Depreciation and Amortization: $3,793,119 in 1989 and $3,449,998 in 1988.

Assets

As of	12/28/89	12/29/88
Cash	$ 4,361,694	$ 2,230,025
Accts. receiv., net	1,091,280	748,720
Refund inc. taxes	379,916	266,241
*Inventories	8,753,055	9,165,702
Prepaid expenses	564,498	335,680
Deferred inc. tax benefits	75,719	822,719
Current Assets	$ 15,226,162	$ 13,569,087
#Fixed assets	43,969,132	38,890,300
Other assets	762,191	611,571
Total Assets	$ 59,957,485	$ 53,070,958

Liabilities

Long-term debt, curr.	$ 1,002,674	$ 87,857
Accts. payable	12,874,140	9,281,642
Accrued payroll	881,724	893,051
Self-insurance claims	857,387	831,428
Local taxes	652,533	468,885
Curr. Liabilities	$ 16,268,458	$ 11,562,863
Long-term debt	17,248,324	15,222,617
Deferred inc. taxes	2,105,728	2,275,493
Unearned revenue	263,028	347,263
+Common stock	170,165	170,165
Add. paid-in capital	5,124,245	5,124,245
Retained earnings	18,777,537	18,368,312
Total Liabilities & Shareholders' Equity	$ 59,957,485	$ 53,070,958

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.64	0.84
%Net Income to Sales	0.32	0.79
%Net Income to Equity	2.55	5.77
Sales to Inventories	21.86	18.84
Debt to Equity	0.76	0.65
Working Capital	$ 10,864,468	$ 2,006,224
Current Ratio	3.49	1.17
Shareholders' Equity	$ 24,071,947	$ 23,662,722

Super Rite Foods Holdings Corporation

(The Company went private via a leveraged buyout, August 8, 1989.)

3900 Industrial Road
P.O. Box 2261
Harrisburg, Pennsylvania 17110
(717) 232-6821
FAX: (717) 257-4527

Officers: Alex Grass, chairman of the board, chief executive officer & president; Martin Grass, exec. v.p.; Peter Vanderveen, v.p. & chief operating officer; William K. Schantzenbach, v.p., chief financial officer & chief accounting officer; James Neilson, secretary.

Directors: Alex Grass, chairman of the board; Martin Grass, Peter Vanderveen, Peter Vanderveen.

Business Activities: A full service grocery wholesaler and retailer. Super Rite's wholesale division currently services customers in Pennsylvania, New Jersey, Maryland, Delaware, Virginia and West Virginia. Its retail division includes 29 supermarkets operating under the name "Basics" in the Baltimore, Maryland and Washington, DC areas.

Subsidiaries:

Super Rite Foods, Inc.
Foodarama Incorporated
Foodarama Group, Inc.
Foodarama, Inc.
Food-A-Rama-G.U., Inc.
Midway Markets of Delaware, Inc.
Oxon Run, Inc.

Number of Stores: (at fiscal year end)

1989	29	1987	37
1988	36	1986	45

Sales & Earnings

	Net Sales	Net Income
3/3/90x	$ 415,253,000	$ 2,330,000
9/21/89+	461,573,000	728,000
3/4/89*	756,576,000	7,410,000
2/27/88	642,485,000	4,967,000
2/28/87	602,554,000	3,803,000

	No. of Com. Shares ‡	Earn. per Share ‡
3/3/90x	2,359,882	$ 0.58
9/21/89+	—	—
3/4/89*	5,040,198	1.47
2/27/88	5,037,742	0.99
2/28/87	5,037,500	0.75

NOTE: Super Rite Foods Holdings Corporation is a company which holds the stock of Super Rite Foods, Inc. The Company was organized for the purpose of effecting the acquisition of Super Rite, Inc. The amended merger agreement was approved August 8, 1989. The period ending March 3, 1990 is post-acquisition.
x 23 weeks.
+ 29 weeks.
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	3/3/90 (23 weeks)	9/21/89 (29 weeks)
Wholesale grocery	$ 344,430	$ 378,068
Retail grocery	161,41	187,962
Intersegment sales	(90,578)	(104,457)
Total	$ 415,253	$ 461,573

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
3/3/90	$ —	—	—
9/21/89	—	—	—
3/4/89	0.24	—	—
2/27/88	0.20	—	—
2/28/87	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
3/3/90	$ 4,958,000	$ 2.48
9/21/89	—	—
3/4/89	43,657,000	8.65
2/27/88	37,370,000	7.42
2/28/87	33,406,000	6.63

Income Account *
(000's)

Year ended	3/3/90 (23 weeks)	9/21/89 (29 weeks)
Net sales	$ 415,253	$ 461,573
Cost of sales	354,971	392,210
Expenses	48,378	61,998
Interest expense	7,685	1,550
Income before taxes	$ 4,219	$ 5,815
Income taxes	1,889	5,087
Net Income	$ 2,330	$ 728

* Included in Costs and Expenses, Depreciation and Amortization: $5,225,000 in 1990 and $4,360,000 in 1988.

Assets
(000's)

As of	3/3/90	3/4/89
Cash	$ 3,354	$ 3,865
Accts. receiv., net	21,581	14,765
*Inventories	51,201	49,124
Prepaid expenses	1,641	1,379
Current Assets	$ 77,777	$ 69,133
#Fixed assets	50,308	45,253
Notes receivable	830	1,740
Other assets	149	1,680
Intangibles	102,432	6,726
Total Assets	$ 231,496	$ 124,532

Liabilities
(000's)

Short-term debt	$ —	$ 6,244
Long-term debt & cap. lease oblig., curr.	9,114	9,498
Accts. payable	42,281	36,739
Accruals	12,117	8,867
Income taxes	1,056	116
Curr. Liabilities	$ 64,568	$ 61,464
Long-term debt	121,447	9,528
Cap. lease oblig.	3,890	4,113
Deferred inc. taxes	13,111	5,770
+Exchange. preferred stock	6,037	—
+Junior preferred stock	17,485	—
++Common stock	20	252
Comm. stock warrants	1,601	—
Add. paid-in capital	1,980	9,530
Retained earnings	1,357	33,875
Total Liabilities & Shareholders' Equity	$ 231,496	$ 124,532

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; 15% cumulative redeemable.
++ No par value; $0.01 stated value.

Statistical Summary

%Income before Taxes to Sales	1.02	1.26
%Net Income to Sales	0.56	0.16
%Net Income to Equity	1.01	—
Sales to Inventories	8.11	—
Debt to Equity	0.58	0.24
Working Capital	$ 13,209,000	$ 7,669,000
Current Ratio	1.20	1.12
Shareholders' Equity	$ 231,496,000	$ 124,532,000

Super Valu Stores, Inc.

P.O. Box 990
Minneapolis, Minnesota 55440
(612) 828-4000
FAX: (612) 828-8998

Officers: Michael W. Wright, chairman, president & chief executive officer; Thomas L. Dekko, v.p.-sales; J. Gary Rhymes, v.p. & controller; Ronald C. Tortelli, sr. v.p.-human resources; Lloyd Stenbeck, v.p.-store engineering; E. Wayne Shives, v.p.-labor relations; George Z. Lopuch, v.p.-corporate strategic planning; Phillip A. Dabill, sr. v.p. & regional president-Retail Support Companies; Laurence L. Anderson, sr. v.p. & regional president-Retail Support Companies; Michael L. Mulligan, v.p.-communications; Jeffrey Noddle, sr. v.p.-merchandising; David A. Cairns, v.p. & treasurer; William C. Hunt, v.p. & general counsel; William J. Tyrrell, sr. v.p. & pres.-ShopKo Stores, Inc.; Gordon W. Hippen, v.p.-market development; Gregory C. Heying, v.p.-distribution; H.S. (Skip) Smith, III, v.p.-information services; James A. Strom, secretary.

Directors: John E. Morrissey, Michael W. Wright, Arnold R. Weber, Harriet Perlmutter, Vernon H. Heath, Stephen I. D'Agostino, Richard D. McCormick, Garnett L. Keith, C. James McNutt, William E. C. Dearden, Edwin C. Gage, Sumner H. Goldman, Carole F. St. Mark.

Business Activities: Engaged principally in the supplying and servicing of more than 3,000 retail food stores in 33 states from 18 distribution centers. Independent retailers own and operate more than 2,800 of the retail food stores and the Company owns all or a majority interest of the remaining 72 stores. Most of the stores operate under one of the Super Valu licensed or sub-licensed names: Super Valu, IGA, Sure Save, Shop 'n Save, Great Scot, County Market, Cub Foods, Hornbachers, U-Save, Disco, Super Dollar, Sunflower, Twin Valu and Banner. The Company also owns and operates the ShopKo group of 98 general merchandise discount stores. Other operations include Preferred Products, a food processing and packing operation; Planmark, which provides engineering and architectural services for supermarkets, retail stores, shopping centers and wholesale distribution facilities; Studio 70, an interior design studio; and Risk Planners, Inc., an insurance agency.

Divisions and Subsidiaries:

Bismarck Division
707 Airport Road
Bismarck, North Dakota 58501
(701) 222-5600

Des Moines Division
3900 N.W. 106th Street
Des Moines, Iowa 50322
(515) 278-0211

Ryans Division
1629 King Avenue West
Billings, Montana 59102
(406) 657-1400

Green Bay Division
451 Joannes Avenue
Green Bay, Wisconsin 54304
(414) 437-3221

Fargo Division
3501 12th Avenue North
Fargo, North Dakota 58102
(701) 293-2100

Ohio Valley Division
1003 Bellbrook Avenue
Xenia, Ohio 45385
(513) 376-9441

ShopKo Stores, Inc.
700 Pilgrim Way
Green Bay, Wisconsin 54304

Preferred Products, Inc.
312 Lake Hazeltine Drive
Chaska, Minnesota 55318
(612) 448-5252

Minneapolis Division
101 Jefferson Avenue South
Hopkins, Minnesota 55343
(612) 932-4444

West Coast Grocery Tacoma Division
1525 D Street
Tacoma, Washington 98241

Charley Brothers Company
P.O. Box 1000
New Stanton, Pennsylvania 15672

Planmark, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Salem Division
3601 State Street Northeast
Salem, Oregon 97301

Spokane Division
11016 East Montgomery Avenue
Spokane, Washington 99206

Risk Planners, Inc.
215 East Excelsior Boulevard
Hopkins, Minnesota 55344

Studio 70
11840 Valley View Road
Eden Prairie, Minnesota 55344

Anniston Division
Roberts Drive, Industrial Park
Anniston, Alabama 36201
(205) 831-1840

Food Marketing Corporation
4815 Executive Boulevard
Interstate Industrial Park
Fort Wayne, Indiana 46808
(219) 483-2146

J.M. Jones Company
2611 N. Lincoln Avenue
Urbana, Illinois 61801
(217) 384-2800

Lewis Grocer
Highway 49 South
Indianola, Mississippi 38751
(601) 887-3211

Cub Food Stores
127 Water Street
Stillwater, Minnesota 55082

Albuquerque Division
5600 Second Street NW
Albuquerque, New Mexico 87107

Denver Division
1983 Tower Road
Aurora, Colorado 80011

Atlanta Division
600 Selig Drive SW
Atlanta, Georgia 30336

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Corporate Agency-Stock Transfer
161 North Concord Exchange
P.O. Box 738
South Saint Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: SVU

Number of Stores: (at fiscal year end)

	Food Stores	Dept. Stores
1990	72	98
1989	151	87
1988	96	75
1987	107	65
1986	71	59

Sales & Earnings x

	Net Sales +	Net Income
1990	$11,136,026,000	$ 147,746,000
1989	10,296,325,000	137,468,000
1988	9,371,665,000	113,012,000
1987*	9,065,819,000	86,511,000
1986	7,905,016,000	91,247,000

	No. of Com. Shares ‡	Earn. per Share #
1990	74,085,454	$ 1.97
1989	74,882,232	1.84
1988	74,724,268	1.51
1987*	74,547,967	1.16
1986	74,283,789	1.23

* 53 weeks.
x Restated to reflect change in accounting method to comply with SFAS No. 96, "Accounting for Income Taxes".
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990 (000's)	%	1989 (000's)	%
Retail support	$9,220,582	82.8%	$8,649,572	84.0%
Retail food	1,630,481	14.6	1,489,058	14.5
Retail gen. merch. oper.	1,555,851	14.0	1,279,961	12.4
Eliminations	(1,270,888)	(11.4	(1,122,266)	(10.9
Total	$11,136,026	100.0%	$10,296,325	100.0%

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1990	$ 0.585	—	—
1989	0.485	—	—
1988	0.435	—	—
1987	0.41	—	—
1986	0.37	—	2-for-1

# Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity	Equity Per Share #
1990	$ 869,891,000	$ 11.59
1989	763,706,000	10.20
1988	660,720,000	8.84
1987	578,275,000	7.76
1986	534,830,000	7.20

x Restated.
# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/24/90	2/25/89
Net sales	$ 11,136,026	$ 10,296,325
Cost of sales	10,019,600	9,272,491
Expenses	819,767	748,887
Interest & other debt expense	53,173	50,550
Income before taxes	$ 243,486	$ 224,397
Income taxes	95,740	86,929
Net Income	$ 147,746	$ 137,468

* Included in Costs and Expenses, Depreciation and Amortization: $123,206,000 in 1990 and $110,116,000 in 1989.

Assets
(000's)

As of	2/24/90	2/25/89‡
Cash	$ 2,229	$ 2,195
Receiv., net	210,540	214,770
*Inventories	833,189	778,976
Supplies & prepaid expenses	20,235	16,917
Deferred inc. tax benefits	6,106	8,682
Invest. in dir. fin. leases	8,639	8,383
Current Assets	$ 1,080,938	$ 1,029,923
Long-term notes receiv.	51,357	54,593
Invest. in dir. fin. leases	73,392	75,950
#Fixed assets	1,113,427	1,035,700
Other assets & defer. charges	109,809	93,686
Total Assets	$ 2,428,923	$ 2,289,852

Liabilities
(000's)

Notes payable	$ 186,352	$ 208,908
Long-term debt, curr.	7,282	6,832
Capital lease oblig., curr.	14,409	14,095
Accts. payable	528,766	507,740
Checks outstanding	49,114	19,106
Accrued compensation	52,853	46,885
Accrued interest	7,163	8,709
Retire. plan contrib.	22,853	22,646
Dividends payable	11,263	9,360
Income taxes	27,432	26,108
Other taxes	43,569	40,644
Curr. Liabilities	$ 951,056	$ 911,033
Long-term debt	387,908	399,724
Oblig. under capital leases	173,295	171,496
Def. inc. taxes	41,962	40,123
Other liabilities	4,811	3,770
+Common stock	75,085	74,882
Add. paid-in capital	9,015	6,902
Retained earnings	785,791	681,922
Total Liabilities & Shareholders' Equity	$ 2,428,923	$ 2,289,852

‡ Restated.
* At lower of cost (majority at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.19	2.18
%Net Income to Sales	1.33	1.34
%Net Income to Equity	16.98	18.00
Sales to Inventories	13.37	13.22
Debt to Equity	0.88	1.05
Working Capital	$ 129,882,000	$ 138,878,000
Current Ratio	1.14	1.15
Shareholders' Equity	$ 869,891,000	$ 763,706,000

Supermarkets General Holdings Corporation

301 Blair Road
Woodbridge, New Jersey 07095
(201) 499-3000
FAX: (201) 499-3072

(Acquired Supermarkets General Corporation in a leveraged buyout, which was completed on October 5, 1987.)

Officers: Jack Futterman, chairman of the board & president; Jeffrey C. Girard, sr. v.p., treasurer & chief financial officer; Jerome Katcher, sr. v.p.-finance & administration; Joseph W. Adelhardt, v.p. & controller; Marc A. Strassler, secretary & general counsel.

Directors: Jack Futterman, chairman; James J. Burke, Jr., Stephen M. McLean, Sunil C. Khanna, Jerry G. Rubenstein.

Business Activities: Operates a chain of supermarkets under the Pathmark name in New York, New Jersey, Connecticut, Delaware and Pennsylvania; supermarkets under the names Purity Supreme, Heartland, and Angelo's in Massachusetts, New Hampshire and Connecticut; conventional drug stores in New York, Connecticut and New Jersey under the Pathmark and Heartland names; Rickel Home Centers in Delaware, Connecticut, New Jersey, New York and Pennsylvania, selling such items as lumber, plumbing fixtures, garden tools and supplies and other household items. The Company also operates two and has granted franchises for 62 Li'l Peach convenience stores in Massachusetts.

Divisions & Subsidiaries:

Pathmark
Rickel Home Centers
Li'l Peach Corp.
Purity Supreme, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York

Number of Stores:

	Supermarkets	Drug Stores & Depts.
1989	210	174
1988	208	172
1987	204	164
1986	200	191
1985	181	181

	Dept. Home Centers	Specialty Stores
1989	44	—
1988	51	—
1987	49	—
1986	45	—
1985	42	28

NOTE: Supermarkets General Holdings Corp. and its wholly-owned subsidiary SMG Acquisition Corp. were formed by Merrill Lynch Capital Partners, Inc. to effect the acquisition of Supermarkets General Corporation. The Company acquired Supermarkets' remaining outstanding common stock on October 5, 1987, when SMG was merged with and into Supermarkets.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
2/3/90+*	$ 6,298,748	$ (76,525)
1/28/89+	5,962,162	(58,863)
1/30/88+†	3,682,038	(41,783)
10/3/87x‡	3,858,979	27,768
1/31/87x	5,507,937	60,865

	No. of Com. Shares #	Earn. per Share #
2/3/90+*	995,000	$ —
1/28/89+	1,000,000	—
1/30/88+†	1,000,000	—
10/3/87x‡	38,733,000	0.72
1/31/87x	38,071,000	1.60

(Loss)
* 53 weeks.
† 33 weeks.
‡ 35 weeks.
+ Company.
x Supermarkets.
# Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	2/3/90	1/28/89
Supermarkets & drug stores	$ 5,820,400	$ 5,459,500
Home centers	478,300	502,700
Total	$ 6,298,700	$ 5,962,200

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
2/3/90	$ —	—	—
1/28/89	—	—	—
1/30/88	—	—	—
10/3/87	0.07	—	—
1/31/87	0.27	—	2-for-1

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
2/3/90+	$ (116,960,000)	$ —
1/28/89+	(27,275,000)	—
1/30/88+	45,299,000	45.30
10/3/87x	496,550,000	12.82
1/31/87x	465,791,000	12.23

(Deficiency)
+ Company.
x Supermarkets.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 6,298,748	$ 5,962,162
Cost of sales	4,755,882	4,525,490
Expenses	1,227,138	1,146,337
Depreciation & amortization	102,267	99,771
Restruc. charge	36,249	—
Amort. of exc. of cost over assets acq.	28,287	28,278
Interest expense	254,740	245,522
Loss before taxes	$ (105,815)	$ (83,236)
Tax credit	(29,290)	(24,373)
Net Loss	$ (76,525)	$ (58,863)

Assets
(000's)

As of	2/3/90	1/28/89
Cash	$ 4,647	$ 4,465
Accts. receiv., net	12,441	10,165
*Inventories	431,335	488,063
Inc. tax receiv.	33,553	30,081
Other curr. assets	71,485	78,135
Current Assets	$ 553,461	$ 610,909
#Fixed assets	885,473	920,692
Deferred fin. costs	31,035	39,036
Other assets	28,682	28,028
Exc. of cost over assets acq.	1,057,865	1,086,152
Total Assets	$ 2,556,516	$ 2,684,817

Liabilities
(000's)

Long-term debt, curr.	$ 134,252	$ 89,875
Cap. lease oblig., curr.	11,109	8,478
Accts. payable	297,364	306,532
Accrued payroll	79,056	74,283
Accruals & other liabilities	131,253	114,921
Def. inc. taxes	26,419	35,152
Curr. Liabilities	$ 679,453	$ 529,241
Long-term debt	1,470,580	1,569,060
Oblig. under cap. leases	183,725	180,036
Def. inc. taxes	118,776	136,618
Other liabilities	98,354	85,709
Redeem. stock:		
+Preferred	114,323	101,428
+Common	8,265	10,000
+Class A common	6	6
+Class B common	3	3
Add. paid-in capital	88,481	88,319
Retained earnings (deficit)	(203,450)	(115,603)
Treasury stock	(2,000)	—
Total Liabilities & Shareholders' Equity	$ 2,556,516	$ 2,684,817

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	14.60	12.22
Shareholders' Equity (Deficiency)	$ (116,960,000)	$ (27,275,000)

Syms Corp.

Syms Way
Secaucus, New Jersey 07094
(201) 902-9600
FAX: (201) 902-9874

Officers: Sy Syms, chairman of the board & chief executive officer; Marcy Syms, president & chief operating officer; Richard B. Diamond, v.p.-finance & treasurer; Norman Fately, v.p.-merchandise; Gregory Diamond, v.p.-merchandise; Charles Koopersmith, v.p.-men's wear; Timothy Pranschke, v.p.-human resources; Stephen Merns, v.p. & secretary; Robert Syms, v.p.-men's wear; Eugene Karp, v.p.-women's wear; William Pattberg, v.p.-distribution.

Directors: Sy Syms, chairman of the board; Marcy Syms, Richard B. Diamond, Wilber L. Ross, Jr., J. Sloame Immerman.

Business Activities: Operates 25 retail stores which sell off-price apparel for men, women and children. Stores are located in New York, New Jersey, Massachusetts, Pennsylvania, Virginia, Maryland, Florida, Illinois, Michigan, Ohio, North Carolina, Missouri, Texas and Georgia.

Subsidiaries:

Syms Advertising Inc.
Creates and places advertising for Syms. Responsible for purchasing and monitoring all the company's print and broadcast schedules.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: SYM

Number of Stores: (at fiscal year end)

1989	25	1986	22
1988	30	1985	20
1987	27		

Sales & Earnings

	Net Sales	Net Income
1989	$ 300,078,000	$ 19,218,000
1988	282,555,000	18,736,000
1987	256,756,000	17,780,000
1986	223,071,000	14,773,000
1985	215,168,000	12,715,000

	No. of Com. Shares	Earn. per Share ‡
1989	17,659,000	$ 1.09
1988	17,650,000	1.06
1987	17,650,000	1.01
1986	17,650,000	0.84
1985	17,650,000	0.72

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 136,988,000	$ 7.76
1988	117,550,000	6.66
1987	98,811,000	5.60
1986	81,031,000	4.59
1985	66,258,000	3.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1989	1988
Net sales	$ 300,078	$ 282,555
Cost of sales	200,759	189,871
Expenses	68,293	61,681
Interest expense (income)	(433)	82
Gain on sale of subsid.	(1,493)	—
Income before taxes	$ 32,952	$ 30,921
Income taxes	13,734	12,185
Net Income	$ 19,218	$ 18,736

* Included in Costs and Expenses, Depreciation and Amortization: $5,615,000 in 1989 and $4,933,000 in 1988.

Assets
(000's)

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 1,200	$ 2,039
Accts. receiv., net	1,064	1,865
*Inventories	65,347	62,116
Prepaid expenses	687	1,363
Deferred inc. taxes	946	1,664
Current Assets	$ 69,244	$ 69,047
#Fixed assets	113,968	86,043
Other assets	1,024	2,378
Total Assets	$ 184,236	$ 157,468

Liabilities
(000's)

Long-term debt, curr.	$ 93	$ 85
Cap. lease oblig., curr.	128	111
Accts. payable	18,789	21,285
Accruals	2,015	1,944
Other taxes	1,507	1,695
Oblig. to cust.	2,512	2,387
Income taxes	4,824	3,140
Curr. Liabilities	$ 29,868	$ 30,647

Long-term debt	12,818	4,911
Cap. lease oblig.	2,026	2,154
Deferred inc. taxes	2,536	2,206
+Common stock	884	883
Add. paid-in capital	11,561	11,342
Retained earnings	124,543	105,325
Total Liabilities & Shareholders' Equity	$ 184,236	$ 157,468

• At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.98	10.94
%Net Income to Sales	6.40	6.63
%Net Income to Equity	14.03	15.94
Sales to Inventories	4.59	4.55
Debt to Equity	0.11	0.06
Working Capital	$ 39,376,000	$ 38,400,000
Current Ratio	2.32	2.25
Shareholders' Equity	$ 136,988,000	$ 117,550,000

Tandy Brands, Inc.

550 Bailey, Suite 660
Fort Worth, Texas 76107
(817) 334-8200
FAX: (817) 332-7066

Officers: Carson R. Thompson, chairman of the board, president & chief executive officer; J.S. Britt Jenkins, exec. v.p.-mfg.; Robert Nourse, exec. v.p.-specialty retail; Harold C. DeHart, v.p. and treasurer; Michael J. Veitenheimer, secretary & gen. counsel; Stanley T. Ninemire, asst. treasurer and controller.

Directors: Carson R. Thompson, chairman; John A. Wilson, Jesse Upchurch, Clayton E. Niles, Edmund H. Damon, Robert Runice, Roger Stern, Loretta Blum.

Business Activities: Operates principally in two segments: Leather Manufacturing and Specialty Retailing.

Divisions:

Tandy Brands Accessories
Manufactures leather products and markets men's and boys' belts, wallets, neckwear and other accessories.

The Bombay Company
A chain of 213 stores operating in the U.S. and Canada, specializing in selling antique English furniture reproductions and related home furnishing products.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: TAB

Number of Stores: (at fiscal year end)

1989	213	1986	126
1988	163	1985	85
1987	114		

N.A. - Not Available.

Sales & Earnings

	Net Sales +	Net Income ‡
1989	$ 109,165,000	$ 8,092,000
1988	78,498,000	3,416,000
1987	67,420,000	(5,741,000)
1986	62,607,000	(484,000)
1985	52,647,000	3,331,000

	No. of Com. Shares	Earn. per Share ‡ †
1989	3,946,032	$ 1.83
1988	3,946,032	0.87
1987	3,867,825	—
1986	3,764,715	—
1985	3,616,527	0.94

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $2,643,000 ($0.60 per share) in 1989, $994,000 ($0.25 per share) in 1988, $294,000 in 1986 and $1,544,000 ($0.43 per share) in 1985.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 35,037,000	$ 8.88
1988	14,733,000	3.73
1987	10,213,000	2.64
1986	15,167,000	4.03
1985	14,868,000	4.11

† Adjusted to reflect stock split.

Income Account
(000's)

Year ended June 30	1989	1988
Net sales	$ 109,165	$ 78,498
Interest, royalty & other income	548	331
Total income	$ 109,713	$ 78,829
Cost of sales	48,510	37,246
Expenses	47,985	34,083
Depreciation & amortization	2,896	2,203
Interest expense	1,673	1,531
Adjustment on divest.	(283)	(334)
Inc. bef. taxes	$ 8,932	$ 4,100
Income taxes	3,483	1,678
Net Income	$ 5,449	$ 2,422
Extraord. gain	2,643	994
Net Income & extraord. gain	$ 8,092	$ 3,416

Assets
(000's)

As of June 30	1989	1988
Cash	$ 8,152	$ 36
Accts. receiv., net	3,651	2,575
•Inventories	22,549	18,538
Other current assets	2,112	2,272
Current Assets	$ 36,464	$ 23,421
#Fixed assets	19,644	15,347
Other assets	1,232	1,196
Intangibles	2,409	2,508
Total Assets	$ 59,749	$ 42,472

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 67	$ 87
Accts. payable	2,750	1,269
Accrued payroll	5,851	2,086
Accrued expenses	3,707	5,713
Curr. Liabilities	$ 12,375	$ 9,155
Long-term debt	363	6,679
Other liabilities	1,484	1,415
Subordinated conv. notes	8,000	8,000
Subordinated deben.	2,490	2,490
+Common stock	5,009	4,089
Add. paid-in capital	28,193	17,196
Ret. earnings (deficit)	1,869	(6,223)
For. curr. trans.	325	269
Treasury stock	(359)	(598)
Total Liabilities & Shareholders' Equity	$ 59,749	$ 42,472

• At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.18	5.22
%Net Income to Sales	4.99	3.09
%Net Income to Equity	15.55	16.44
Sales to Inventories	4.84	4.23
Debt to Equity	0.01	0.46
Working Capital	$ 24,089,000	$ 14,266,000
Current Ratio	2.95	2.56
Shareholders' Equity	$ 35,037,000	$ 14,733,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Officers: John V. Roach, chairman, president & chief executive officer; Herschel C. Winn, sr. v.p. & secretary; John W. Burnam, v.p.; Ronald L. Parrish, v.p.; Richard L. Ramsey, v.p.; Dwain Hughes, asst. treasurer; Jana R. Freundlich, asst. secretary; Jim B. Sheets, asst. secretary.

Directors: John V. Roach*, chairman; William C. Conner*, William T. Smith*, Alfred J. Stein, Jesse L. Upchurch*, John A. Wilson*, Robert R. Lowdon*, Donald L. Bryant, Lewis F. Kornfeld, Jr*, Thomas G. Plaskett, William E. Tucker*, William G. Morton, Jr., Caroline R. Hunt, James I. Cash.

* Member of the Executive Committee

Business Activities: Operates over 7,000 company-owned and dealer/franchise Radio Shack stores and 292 Tandy Brand Name Retail stores, which retail consumer electronics products throughout the U.S. Also operates chains of electronic retailers under the names McDuff and VideoConcepts. Tandy also manufactures consumer electronics products.

Divisions and Subsidiaries:

Radio Shack Division

Tandy Electronics, Inc.

A & A International Corp.

Tandy Credit Corporation

Lika Corporation
Lika Utah
Lika Southwest

Manufactures printed circuit boards.

Memtek Products
Markets a line of Memorex audio and video products.

O'Sullivan Industries
Manufactures furniture for electronic stores.

Scott-McDuff Corporation
Chain of 24 audio-video appliance stores.

VideoConcepts
Name-brand electronics retailers located in malls in 29 states.

Tandy International Electronics, Inc.

Tandy Mkt. (Canada) Ltd.

GRiD Systems Corporation
Fremont, California
Designs, develops, manufactures and markets field automation equipment that use laptop computers.

Acquisitions:

Victor Microcomputer
Victor Micronic

Markets desktop and laptop microcomputers.

Transfer Agent(s):

First National Bank of Boston (Common Stock)
Boston, Massachusetts

Team Bank/Fort Worth N.A.
(Common Stock & Debentures)
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Stores:*

1989	7,337	1986	7,385
1988	7,336	1985	7,088
1987	7,318		

* Radio Shack and Tandy Brand Name Retail stores only.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1989	$ 4,180,703	$ 323,504
1988	3,793,767	316,354
1987	3,452,178	242,329
1986	3,035,969	197,659
1985	2,595,695	189,060

	No. of Com. Shares ‡	Earn. per Share ‡
1989	88,849,000	$ 3.64
1988	89,466,000	3.54
1987	89,899,000	2.70
1986	89,203,000	2.22
1985	89,490,000	2.11

+ Includes operating revenues; of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.600	—	—
1988	0.575	—	—
1987	0.375	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1989	$ 1,782,838	$ 20.07
1988	1,603,112	17.92
1987	1,380,039	15.35
1986	1,306,458	14.65
1985	1,063,454	11.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended June 30	1989	1988
Net sales & oper. rev.	$ 4,180,703	$ 3,793,767
Cost of sales	2,148,464	1,870,429
Expenses	1,441,628	1,341,090
Depreciation & amortization	75,429	68,156
Interest income	(12,217)	(588)
Income before taxes	$ 527,399	$ 514,680
Income taxes	203,895	198,326
Net Income	$ 323,504	$ 316,354

Assets
(000's)

As of June 30	1989	1988
Cash & short-term invest.	$ 58,398	$ 188,224
Accts. & notes receiv., net	553,360	462,374
•Inventories	1,285,373	1,287,854
Other curr. assets	45,186	47,622
Current Assets	$ 1,942,317	$ 1,986,074
#Fixed assets	420,744	367,264
Other assets	211,249	176,754
Total Assets	$ 2,574,310	$ 2,530,092

Liabilities
(000's)

Notes payable	$ 192,096	$ 306,475
Accts. payable	159,767	116,818
Accruals	208,608	205,191
Inc. taxes payable	8,535	20,778
Curr. Liabilities	$ 569,006	$ 649,262
Notes payable	113,544	153,641
Subord. deben.	27,580	26,957
Deferred inc. taxes	60,619	68,977
Other liabilities	20,723	28,143
+Common stock	95,645	95,645
Add. paid-in capital	130,792	114,999
Retained earnings	1,879,721	1,609,346
For. curr. trans.	5,356	8,105
Treasury stock	(328,676)	(224,983)
Total Liabilities & Shareholders' Equity	$ 2,574,310	$ 2,530,092

* At lower of cost (primarily average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.62	13.57
%Net Income to Sales	7.74	8.34
%Net Income to Equity	18.15	19.73
Debt to Equity	0.17	0.29
Working Capital	$ 1,373,311,000	$ 1,336,812,000
Current Ratio	3.41	3.06
Shareholders' Equity	$ 1,782,838,000	$ 1,603,112,000

Tandycrafts, Inc.

1400 Everman Parkway
Fort Worth, Texas 76140
(817) 551-9600
FAX: (817) 551-5763

Officers: William H. Michero, chairman of the board; Kenneth L. Gregson, president and chief executive officer; Jerry L. Roy, sr. v.p. & chief operating officer; Michael J. Walsh, v.p. & secretary; C. Gary Crow, sr v.p. & treasurer; Billy D. Rudd, v.p. & controller; John V. Sandlin, v.p. & dir.-management information systems.

Directors: William H. Michero, chairman; Kenneth L. Gregson, Robert Schutts, Roger A. Dickinson, Joe K. Pace, R. E. Cox, III, John A. Wilson, Jerry L. Roy, B. Franklin Bigger.

Divisions:

Tandy Leather Company
Production and sales of materials, kits and equipment used in leathercrafts through 207 company-owned retail and mail-order stores in the United States and Canada.

The Magee Company
Production and marketing of wood and metal frames and framed prints through major retail chains and independent merchants nationwide.

Subsidiaries:

Casual Concepts, Inc.
Retail sales of the "Cargo" line of casual wood furniture through 92 company-owned stores.

Development Association, Inc.
Retail sale of Christian-oriented books, records and gifts through 19 Joshua's Christian Stores.

Transfer Agent(s):

Texas American Bridge Bank
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAC

Number of Stores: (at fiscal year end)

1989	318	1986	288
1988	313	1985	319
1987	304		

Sales & Earnings

	Net Sales +	Net Income
1989	$ 108,802,000	$ 3,515,000
1988	101,136,000	1,331,000
1987	86,078,000	875,000
1986	77,991,000	2,548,000
1985	74,530,000	2,609,000

	No. of Com. Shares #	Earn. per Share #
1989	2,788,000	$ 1.26
1988	2,524,000	0.53
1987	2,385,000	0.37
1986	2,402,000	1.06
1985	2,439,000	1.07

+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Manufacture for resale	$ 32,532,000	$ 30,231,000
Specialty retailing	76,270,000	70,905,000
Total	$ 108,802,000	$ 101,136,000

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 41,475,000	$ 14.95
1988	36,740,000	13.03
1987	40,795,000	17.63
1986	41,000,000	17.26
1985	39,183,000	16.18

Income Account
(000's)

Year ended June 30	1989	1988
Net sales	$ 108,802	$ 101,136
Cost of sales	59,036	56,499
Expenses	40,834	38,462
Depreciation	2,290	2,145
Interest expense	1,238	1,030
Investment loss (inc.)	(334)	525
Income before taxes	$ 5,738	$ 2,475
Income taxes	2,223	1,144
Net Income	$ 3,515	$ 1,331

Assets
(000's)

As of June 30	1989	1988
Cash & cash equiv.	$ 8,745	$ 4,605
Market. securities	—	184
Accts. receiv., net	8,400	7,580
*Inventories	22,025	21,597
Other current assets	1.232	1,064
Current Assets	$ 40,402	$ 35,030
#Fixed assets	22,214	22,027
Other assets	829	893
Intangibles	2,384	2,391
Total Assets	$ 65,829	$ 60,341

Liabilities
(000's)

Notes payable	$ 1,000	$ 1,400
Trade accts. payable	2,552	2,195
Accts. payable & accruals	4,510	4,189
Accrued payroll	2,698	2,115
Income taxes	1,940	639
Curr. Liabilities	$ 12,700	$ 10,538
Notes payable	11,654	13,063
+Common stock	4,632	4,632
Add. paid-in capital	22,605	22,564
Retained earnings	50,393	46,878
Treasury stock	(23,501)	(22,871)
Loan to ESOP	(12,654)	(14,463)
Total Liabilities & Shareholders' Equity	$ 65,829	$ 60,341

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.27	2.45
%Net Income to Sales	3.23	1.32
%Net Income to Equity	8.47	3.62
Sales to Inventories	4.94	4.68
Debt to Equity	0.31	0.39
Working Capital	$ 27,702,000	$ 24,492,000
Current Ratio	3.18	3.32
Shareholders' Equity	$ 41,475,000	$ 36,740,000

THORN EMI plc

4 Tenterden Street
Hanover Square
London W1A 2AY England
01-355-4848

Directors: Colin Southgate, chairman & chief executive; David Barnes, non-executive; James Maxmin, chairman & chief executive-Home Electronics; Tom Mayer, executive director; Michael Metcalfe, finance director; Sir Ian Trethowan, non-executive; Bhaskar Menon, chairman; Sir Michael Angus, non-executive; Sir Graham Day, non-executive; Sir Peter Walters, non-executive.

Corporate Management: R. Charlton, company secretary; S.J. Pandit, director corp. development; K.W. Gray, technical; Colin Woodley, corp. communications; D.R.W. Young,personnel & organization development; D. Dolman, analysis & planning, B.T. Burford, purchasing; G.J. Cant, estates; K.W. Flack, insurance; R.A.A. Hurst, legal & patents; Charlotte Chambers, management development & training; G.G. Roberts, dir.-research; S. R. Bates, director central research labs.

Business Activities: The principal activities of the group are: Rental and Retail, Music, Lighting and Technology.

Rental and Retail activities include the operation of Radio Rentals, all consumer electronics rental chains doing business in the U.K.; the Company also operates Rumbelows, a consumer electronics and appliance retail chain doing business in the U.K. under the Rumbelows and Hometech names; Overseas operations include THORN EMI International Rentals (which operates consumer electronics rental stores in 15 countries); FONA electronic retail stores and HMV music retailing outlets, which operate in the U.K. and 7 other countries.

The Company's Technology Group focuses on high-technology markets: defense electronics, software & security, telecommunications, and semiconductors. Principal products include radar integration systems, advanced ticket issuing systems, hand-held thermal imagers, man-portable surveillance and target-acquisition radar, data distribution systems for naval vessels, mortar locating radar, electronic countermeasures systems, aircraft early warning radar, aircraft engine fire detection systems, fuzes for air-launched missiles, artillery shells, klystron tubes, low light level sensing devices, fire and security protection equipment, information technology systems facilities management and software for executive information systems,railway power conversion and industrial drive controls.

Music operations include the production of recorded music, music publishing, music videos, and the manufacture of compact discs.

Lighting products include high-pressure sodium lamps and fittings, incandescent and fluorescent lamps, miniature low-voltage tungsten halogen products for display markets, among others.

Divisions and Subsidiaries:

RENTAL AND RETAIL

Thorn EMI Home Electronics (UK) Ltd.
Focus TV and Video Centres Ltd.
DER Division
Radio Rentals Division
Rumbelows Retail Division
HMV Division
Rent-A-Center, Inc. (U.S.A.)
THORN High Street Properties Ltd.
THORN EMI Television Rentals Ltd.
Radio Rentals Division (Australia)
Rent-A-Center, Inc. (USA)
Visea Television S.A. (France)
Trinity House Finance plc

TECHNOLOGY

THORN EMI Technology Ltd.
Datatech Division
Datasolve Division
Flow Measurement Division
THORN Security Division
Software Sciences Division
THORN EMI Electronics Ltd.
Systron Donner Corp. (USA)

MUSIC

EMI Records Ltd.
Capitol-EMI Music Inc. (USA)
Pathe Marconi EMI SA (France)
EMI Italiana SpA (Italy)
EMI Electrola GmbH (Germany)
EMI Records Division (Australia)
EMI Music Publishing Ltd.

LIGHTING AND KENWOOD

Thorn Lighting Ltd.
Kenwood Ltd.
Kenwood SA (France)
Sivi Illuminazione Spa (Italy) (51%-owned)
THORN Licht GmbH (Germany)
Jarnkonst AB (Sweden)
Europhane S.A. (France) (98.7% owned)
Holophane S.A. (FRANCE) (98.8% owned)

INTERNATIONAL

Associate Companies:

Thames Television PLC (28.24% interest)
England

Toshiba-EMI Ltd. (50% interest)
Japan

Registrars:

National Westminster Bank PLC
Registrar's Dept.
P.O. Box 82, Caxton House, Redcliffe Way
Bristol BS99 7NH, England

Stock Exchange(s): London

Sales & Earnings

	Net Sales +	Net Income †
1989	£3,290,600,000	£ 182,400,000
1988	3,054,000,000	137,500,000
1987	3,203,200,000	99,600,000
1986	3,316,500,000	61,400,000
1985	3,204,400,000	65,200,000

	No. of Com. Shares	Earn. per Share † ‡
1989	279,605,245	64.2p
1988	276,079,767	53.1
1987	217,666,115	43.9
1986	215,431,869	26.5
1985	N.A.	29.9

N.A. - Not Available
£ - pound sterling
+ Of continuing operations only.
† Before extraordinary items.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	27.0p	—	—
1988	22.0	—	—
1987	18.5	—	—
1986	17.5	—	—
1985	17.5	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1989	£ 529,400,000	189.3p
1988	580,800,000	210.4
1987	566,100,000	260.1
1986	516,700,000	239.8

† After allowing for preferred stock at stated values.

Income Account *
(000's)

Year ended Mar. 31	1989	1988
Net sales	£ 3,290,600	£ 3,054,000
Cost of sales	2,694,900	2,539,400
Distribution costs	128,500	110,000
Adm. expenses	242,600	225,600
Oper. income	(72,000)	(44,700)
Share of profits of rel. cos.	(23,300)	(20,000)
Finance charges	30,800	18,400
Income before taxes	£ 289,100	£ 225,300

Income taxes	96,100	79,000
Minority interests	10,600	8,800
Net Income	£ 182,400	£ 137,500
Extraord. loss	(8,800)	(14,200)
Net Income & extraord. loss	£ 173,600	£ 123,300

* Included in Costs and Expenses, Depreciation: £ 334,900,000 in 1989 and £ 281,500,000 in 1988.

Assets
(000's)

As of Mar. 31	1989	1988
Cash	£ 72,600	£ 89,000
Investments	38,000	31,700
Accts. receiv., net	562,100	525,000
*Inventories	359,900	384,800
Current Assets	£ 1,032,600	£ 1,030,500
Investments	97,300	52,100
Net assets of fin. subsid.	27,100	17,900
#Fixed assets	1,085,400	933,000
Total Assets	£ 2,242,400	£ 2,033,500

Liabilities
(000's)

Long-term debt, curr.	£ 175,800	£ 57,700
Accts. payable	322,300	317,900
Other payables	139,100	140,100
Customer deposits	72,200	78,000
Royalties & fees payable	134,500	117,100
Amts. owed to rel. cos.	1,400	1,400
Accruals	91,900	75,600
Income taxes	68,500	48,600
Other taxes	58,700	66,600
Dividends	55,500	45,300
Curr. Liabilities	£ 1,119,900	£ 948,300
Long-term debt	101,600	121,400
Other payables	26,400	25,700
Minority interest	229,100	125,600
Deferred inc. taxes	34,800	26,200
Other liabilities	140,600	141,600
+7% preferred stock	60,600	63,400
++3.5% preferred stock	—	500
+++Common stock	69,600	69,000
Add. paid-in capital	15,900	290,200
Other reserves	90,700	10,400
Profit and loss acct.	353,200	211,200
Total Liabilities & Shareholders' Equity	£ 2,242,400	£ 2,033,500

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 7% convertible redeemable cumulative.
++ £ 1 par value; 3.5% cumulative.
+++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	8.79	7.38
%Net Income to Sales	5.54	4.50
%Net Income to Equity	30.92	21.33
Sales to Inventories	9.14	7.94
Debt to Equity	0.47	0.28
Working Capital	—	£ 82,200,000
Current Ratio	—	1.09
Shareholder's Equity	£ 590,000,000	£ 644,700,000

Three D Departments, Inc.

3200 Bristol Street
Suite 800
Costa Mesa, California 92626-1808
(714) 662-0818
FAX: (714) 545-8937

Officers: Bernard Abrams, chairman & chief executive officer; Donald L. Abrams, president; John B. Abrahms, sr., sr. v.p. & asst. treasurer; David Kotkin, secretary; Frank Kane, v.p.-administration & finance; Abe Markowicz, v.p.-merchandising; Ronald Dow, controller; Ira Durlester, v.p.-operations.

Directors: Bernard Abrams*, chairman; John B. Abrahms*, David Kotkin*, Abe Markowicz, Donald L. Abrams, Henry W. Nozko, Jr., Gerson K. Bernstein, Morton A. Siegler, Bernard J. White.

* Member of the Executive Committee

Business Activities: The company is engaged in the operation of 26 specialty stores, which sell curtains and draperies, linens, towels, rugs, bedspreads, sheets, blankets, drapery hardware, housewares and giftware. The specialty stores operate under the name "Three D Bed & Bath," and are located in the Northeast and in California.

Acquisition:

Linens Plus, Inc.
Phoenix, Arizona
A retailer of 8 linen specialty stores in Phoenix, Arizona.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York

Stock Exchange(s): American

Ticker Symbol: TDD-A and TDD-B

Number of Outlets: (at fiscal year end)

1989	26	1986	64
1988	35	1985	107
1987	32		

Sales & Earnings

	Revenues ‡	Net Income
1989	$ 38,425,945	$ 559,664
1988	35,195,974	719,405
1987	34,890,005	728,401
1986	44,635,806	851,061
1985*	59,559,198	928,590

	No. of Com. Shares	Earn. per Share +
1989	2,902,082	$ 0.19
1988	2,922,082	0.24
1987	3,194,956	0.22
1986	3,304,556	0.26
1985*	3,303,806	0.27

* 53 weeks.
‡ Of continuing operations only
+ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.16	—	—
1988	0.16	—	—
1987	0.16	—	—
1986	0.16	—	—
1985	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 14,440,868	$ 4.96
1988	14,178,329	4.73
1987	14,593,338	4.57
1986	14,532,879	4.40
1985	13,947,591	4.22

Income Account *

Year ended	7/29/89	7/30/88
Sales	$ 38,189,558	$ 34,989,592
Invest. income	236,387	206,382
Net revenues	$ 38,425,945	$ 35,195,974
Cost of sales	21,615,711	19,296,207
Expenses	15,772,761	14,482,417
Interest expense	87,809	73,360
Income before taxes	$ 949,664	$ 1,343,990
Income taxes	390,000	624,585
Net Income	$ 559,664	$ 719,405

* Included in Costs and Expenses, Depreciation and Amortization: $764,164 in 1989 and $767,735 in 1988.

Assets

As of	7/29/89	7/30/88
Cash	$ 1,183,678	$ 878,606
Short-term investments	3,027,789	2,100,000
Accts. receiv., net	120,543	281,398
*Inventories	10,001,307	10,892,098
Prepaid expenses	286,354	441,679
Prepaid inc. taxes	137,557	123,544
Def. inc. taxes	113,895	55,017
Current Assets	$ 14,871,123	$ 14,772,342
#Fixed assets	3,167,407	3,364,593
Deferred costs of leases	286,292	324,317
Other assets	1,317,278	1,067,831
Total Assets	$ 19,642,100	$ 19,529,083

Liabilities

Accts. payable	$ 2,753,097	$ 2,939,957
Accrued payroll	637,819	577,815
Accruals	1,292,363	1,257,941
Due to lessor	12,033	—
Curr. Liabilities	$ 4,695,312	$ 4,775,713
Deferred compensation	200,000	200,000
Def. inc. taxes	305,920	375,041
+Common stock:		
Class A	408,719	408,712
Class B	391,177	391,184
Add. paid-in capital	1,195,699	1,195,699
Retained earnings	13,416,412	13,088,873
Treasury stock	(971,139)	(906,139)
Total Liabilities & Shareholders' Equity	$ 19,642,100	$ 19,529,083

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.49	3.84
%Net Income to Sales	1.47	2.06
%Net Income to Equity	3.88	5.07
Sales to Inventories	3.82	5.21
Working Capital	$ 10,175,811	$ 9,996,629
Current Ratio	3.17	3.09
Shareholders' Equity	$ 14,440,868	$ 14,178,329

Tiffany & Co.

727 Fifth Avenue
New York, New York 10022
(212) 755-8000
FAX: (212) 605-4465

Officers: William R. Chaney, chairman of the board & chief exec. officer; Thomas A. Andruskevich, sr. v.p.-int'l. & trade divisions; John R. Loring, sr. v.p.-design director; Brian E. Ohl, sr. v.p.-retail sales; Barry K. Dodson, group v.p.-Western region; Patrick B. Dorsey, group v.p.-general counsel & secretary; James N. Fernandez, group v.p.-finance & chief financial officer; Fernanda K. Gilligan, group v.p.-public relations; Michael J. Kowalski, group v.p.-merchandising; Diana Lyne, group v.p.-marketing; James E. Quinn, group v.p.-corporate sales; Peter C. Schneirla, group v.p.-merchandising; Dale S. Strohl, group v.p.-operations; Larry M. Segall, v.p.-controller; Robert J. Warren, v.p.-treasurer.

Directors: William R. Chaney, chairman; Jane Dudley, Samuel L. Hayes, III, Nemir Kirdar, Charles K. Marquis, Yoshiaki Sakakura, William A. Shutzer, Geraldine Stutz.

Business Activities: Parent company of Tiffany and Company, which retails, designs, manufactures and distributes fine jewelry, timepieces, sterling silverware, china, crystal, stationery, leather goods, scarves, and fragrances. Tiffany sells these products through its ten retail stores located in selected major cities across the U.S., and stores in London, Munich, Zurich, and Hong Kong, and through selected independent retailers, direct marketing catalogs, sales to corporations, and sales to retailers in Japan, and through Faraone stores in Italy.

Subsidiaries:

Tiffany and Company

Faraone S.p.A. (91%-owned)

Howard H. Sweet & Son, Inc.
Attleboro, Massachusetts
Manufacturer of gold and silver jewely and jewelry components.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: TIF

Number of Stores: (at fiscal year end)

1990	16	1988	10
1989	13	1987	9

Sales & Earnings

	Net Sales	Net Income ‡
1990	$ 383,964,000	$ 33,305,000
1989	290,344,000	24,901,000
1988	230,488,000	16,176,000
1987	182,527,000	7,390,000
1986	154,258,000	1,630,000

	No. of Com. Shares +	Earn. per Share ‡ +
1990	15,606,000	2.13
1989	15,332,000	1.62
1988	14,300,000	1.13
1987	12,117,000	0.61
1986	10,087,000	—

‡ Including extraordinary gains of $608,000 ($0.05 per share) in 1987, $438,000 ($0.05 per share) in 1986 and extraordinary loss of $644,000 ($0.04 per share) in 1988.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1990	$ 0.18	—	3-for-2
1989	0.10	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1990	$ 135,568,000	$ 8.69
1989	99,193,000	6.47
1988	71,621,000	5.01
1987	12,862,000	1.06
1986	4,319,000	0.43

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1990	1989
Net sales	$ 383,964,000	$ 290,344,000
Cost of sales	192,281,000	145,833,000
Expenses	129,225,000	99,323,000
Prov. for uncollec. accts.	1,481,000	995,000
Interest expense	2,578,000	826,000
Other expense	12,000	335,000
Income before taxes	$ 58,387,000	$ 43,032,000
Income taxes	25,082,000	18,131,000
Net Income	$ 33,305,000	$ 24,901,000

* Included in Costs and Expenses, Depreciation and Amortization: $$3,455,000 in 1990 and $1,634,000 in 1989.

Assets

As of Jan. 31	1990	1989
Cash & short-term invest.	$ 2,557,000	$ 1,599,000
Accts. receiv., net	33,130,000	25,525,000
*Inventories	142,545,000	103,771,000
Prepaid expenses	8,677,000	6,544,000
Current Assets	$ 186,909,000	$ 137,439,000
#Fixed assets	39,618,000	22,437,000
Other assets	10,534,000	2,772,000
Total Assets	$ 237,061,000	$ 162,648,000

Liabilities

	1990	1989
Short-term borrowings	$ 14,339,000	$ 7,253,000
Accts. payable & accruals	47,617,000	37,837,000
Income taxes pay.	5,818,000	3,995,000
Merch. & other cust. credits	6,400,000	6,525,000
Current Liabilities	$ 74,174,000	$ 55,610,000
Long-term debt	18,226,000	—
Deferred inc. taxes	6,883,000	6,198,000
Other liabilities	2,210,000	1,647,000
+Common stock	156,000	154,000
Add. paid-in capital	58,782,000	54,521,000
Retained earnings	75,565,000	45,047,000
For. curr. trans. adjust.	1,156,000	(438,000)
Treasury stock	(91,000)	(91,000)
Total Liabilities & Shareholders' Equity	$ 237,061,000	$ 162,648,000

* At lower of cost or market. Domestic and foreign branch inventories at LIFO; foreign subsidiaries inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1990	1989
% Income bef. Taxes to Sales	15.21	14.82
% Net Income to Sales	8.67	8.58
% Net Income to Equity	24.57	25.10
Sales to Inventories	2.69	2.80
Debt to Equity	0.24	0.07
Working Capital	$ 112,735,000	$ 81,829,000
Current Ratio	2.52	2.47
Shareholders Equity	$ 135,568,000	$ 99,193,000

The TJX Companies, Inc.

(formerly Zayre Corp.)

770 Cochituate Road
Framingham, Massachusetts 01701
(508) 390-1000
FAX: (508) 390-2091

Officers: Sumner L. Feldberg, chairman; Bernard Cammarata, president & chief exec. officer; Donald G. Campbell, sr. v.p. & chief financial officer; Richard Lesser, sr. v.p., & president-T.J. Maxx; Jay H. Meltzer, sr. v.p., general counsel & secretary; Alfred Appel, v.p.-corp. tax; Paul Butka, v.p.-production services; Armand Correia, v.p.-finance; Robert Hernandez, v.p.-data processing; Stanley Oldfield, v.p.-administrative services; Thomas Unrine, v.p., & president-Hit or Miss; David Weiner, v.p.-finance; Irving Ritz, v.p.-labor relations; Steven Wishner, v.p. & treasurer; Mark Jacobson, compensation & benefits.

Directors: Stanley G. Feldberg, Sumner L. Feldberg, Burton S. Stern, Reva Korda, John W. Hennessey, Jr., Robert F. Shapiro, Charles J. Simons, Bernard Cammarata, Arthur F. Loewy, Phyllis E Davis.

Business Activities: Operates 352 "T.J. Maxx" discount family apparel stores and 546 "Hit or Miss" off-price ladies' apparel stores nationwide, as well as the "Chadwick's of Boston" off-price ladies' apparel mail order catalog.

Divisions:

T.J. Maxx
Hit or Miss
Chadwick's of Boston

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: TJX

Number of Stores: (at fiscal year end)

	Disc. Stores –	Ladies Apparel Stores
1989	—	546
1988	—	506
1987	382	485
1986	362	461
1985	337	428

	Disc. Apparel Stores	Warehouse Clubs
1989	352	—
1988	308	—
1987	265	55
1986	226	43
1985	191	29

Sales & Earnings

	Net Sales ‡ (000's)	Net Income † (000's)
1989	$ 2,148,735	$ (78,275)
1988	1,920,795	(167,815)
1987	1,643,712	143,312
1986*	1,394,600	88,974
1985	1,149,414	94,647

	No. of Com. Shares +	Earn. Per Share †#
1989	69,775,899	$ —
1988	56,220,003	—
1987	56,107,244	2.44
1986*	58,047,775	1.49
1985	58,746,596	1.61

(Loss)
* 53 Weeks.
‡ Of continuing operations only.
† Including extraordinary loss of $3,432,000 ($0.06 per share) in 1986.
+ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.40	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.32	—	2-for-1
1985	0.24	—	4-for-3

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 228,451,000	$ 3.27
1988	543,492,000	9.67
1987	731,324,000	13.03
1986	652,314,000	11.24
1985	605,775,000	10.31

+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/27/90	1/28/89
Net sales	$ 2,148,735	$ 1,920,795
Cost of sales	1,644,239	1,459,216
Expenses	355,625	334,133
Restruc. costs	—	12,000
Interest expense	23,149	8,687
Interest income	(8,502)	(6,115)
Dividend income	—	(3,124)
Income before taxes	$ 134,124	$ 115,998
Income taxes	53,414	46,265
Minority interest	5,025	14,594
Inc. - cont. oper.	$ 75,685	$ 55,139
Loss - discont. oper.	(153,960)	(222,954)
Net Loss	$ (78,275)	$ (167,815)

* Included in Costs and Expenses, Depreciation and Amortization: $41,934,000 in 1989 and $36,393,000 in 1988.

Assets
(000's)

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 54,278	$ 122,711
Note receiv. from Ames	—	200,000
Inc. taxes recov.	17,529	26,699
Accts. receiv., net	14,644	23,070
*Inventories	466,749	420,447
Prepaid expenses	9,942	11,562
Net assets - discont. oper.	—	130,645
Current Assets	$ 563,142	$ 935,134
Invest. in Ames	—	140,000
#Fixed assets	270,397	253,641
Leased prop. under cap. leases	1,309	1,859
Other assets	13,551	19,515
Intangibles	100,699	—
Net assets - disont. oper.	—	111,669
Total Assets	$ 949,098	$ 1,461,818

Liabilities
(000's)

Long-term debt, curr.	$ 6,440	$ 32,701
Accts. payable	205,357	223,305
Accruals	156,169	195,649
Oblig. under cap. leases	1,004	1,027
Curr. Liabilities	$ 368,970	$ 452,682
Long-term debt	295,361	310,290
Oblig. under cap. leases	541	1,537
Deferred inc. taxes	55,775	100,251
Minority interest	—	53,566
+Common stock	69,784	56,620
Add. paid-in capital	291,190	175,977
Retained earnings (deficit)	(132,384)	320,978
Treasury stock	(139)	(10,083)
Total Liabilities & Shareholders' Equity	$ 949,098	$ 1,461,818

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	4.60	4.57
Debt to Equity	1.33	0.64
Working Capital	$ 194,172,000	$ 482,452,000
Current Ratio	1.53	2.07
Shareholders' Equity	$ 228,451,000	$ 543,492,000

Tons of Toys, Inc.

Wareham Industrial Park
11 Kendrick Road
Wareham, Massachusetts 02571
(508) 295-2003

Officers: Bruno R. Ferretti, chairman, president & secretary; Frederick H. Young, exec. v.p. & treasurer; John J. Collins, sr. v.p.-store operations; Raymond A. Ferretti, sr. v.p.-sales & promotion; Scott R. LaFond, v.p.-human resources; Thomas F. Downes, v.p.-distribution.

Directors: Bruno R. Ferretti, chairman; James M. Hyman, Edward T. McPhee, Jr., Donald W. Lafler, Frederick H. Young.

Business Activities: Operates a chain of 23 retail toy supermarkets in Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont under the name "Tons of Toys."

Transfer Agent(s):

Bank of Boston
P.O. Box 2016
Boston, Massachusetts 02106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TONS (NASDAQ)

Number of Stores: (at fiscal year end)

1989	23	1986	4
1988	12	1985	3
1987	6		

Sales & Earnings

	Net Sales	Net Income †
1989	$ 24,655,522	$ (1,791,524)
1988*	10,373,020	377,778
1987	6,852,376	(286,341)
1986	4,560,868	(418,677)
1985	4,332,718	(16,149)

	No. of Com. Shares ‡	Earn. per Share † ‡
1989	2,505,000	$ —
1988*	2,370,000	0.16
1987	1,159,000	—
1986	1,070,000	—
1985	1,070,000	—

(Loss)
* 8 months.
† Including extraordinary gain of $131,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect recapitalization.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 3,488,893	$ 1.39
1988	4,066,971	1.72
1987	3,689,193	3.18
1986	(326,776)	—
1985	91,901	0.09

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect recapitalization.

Income Account *

Year ended	1/28/89 (8 months)	1/30/88
Net sales	$ 24,655,522	$ 10,373,020
Cost of sales	17,517,482	6,750,849
Occupancy expenses	7,034,377	2,404,301
Adm. & gen. expenses	1,850,261	823,672
Interest expense (income)	308,441	(24,580)
Income (loss) bef. taxes	$ (2,055,039)	$ 418,778
Income taxes	—	172,000
Net Income (Loss)	$ (2,055,039)	$ 246,778
Extraord. gain	—	131,000
Cum. effect of acct. change	263,515	—
Net Income (Loss) & extraord. gain	$ (1,791,524)	$ 377,778

Assets

As of	1/28/89	1/30/88
Cash	$ 774,179	$ 370,587
*Inventories	11,325,203	4,920,679
Deferred costs	178,604	91,096
Prepaid expenses	265,181	173,400
Current Assets	$ 12,543,167	$ 5,555,762
#Fixed assets	2,657,238	1,385,041
Other assets	270,758	—
Total Assets	$ 15,471,163	$ 6,940,803

Liabilities

Long-term debt, curr.	$ 625,075	$ 309,334
Accts. payable	5,229,552	1,764,820
Accruals	241,225	74,607
State taxes payable	—	42,750
Curr. Liabilities	$ 6,095,852	$ 2,191,511

Subord. long-term debt	5,000,000	—
Long-term debt	886,418	682,321
+Common stock	26,169	23,700
Add. paid-in capital	5,493,587	4,282,610
Retained earnings (deficit)	(2,030,863)	(239,339)
Total Liabilities & Shareholders' Equity	$ 15,471,163	$ 6,940,803

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.04
%Net Income to Sales	—	2.38
%Net Income to Equity	—	6.07
Sales to Inventories	2.18	2.11
Debt to Equity	1.87	0.24
Working Capital	$ 6,447,315	$ 3,364,251
Current Ratio	2.06	2.54
Shareholders' Equity	$ 3,488,893	$ 4,066,971

Toys "R" Us, Inc.

461 From Road
Paramus, New Jersey 07652
(201) 262-7800
FAX: (201) 262-8919

Officers: Charles Lazarus, chairman of the board & chief exec. officer; Michael Goldstein, vice chairman & chief financial & administrative officer; Robert C. Nakasone, vice chairman, & president-Worldwide Toy Stores; Roger V. Goddu, exec. v.p. & general merchandise mgr.-Toys "R" Us United States; Van H. Butler, sr. v.p.-marketing & divisional merchandise mgr.; Jonathan M. Friedman, v.p.-controller; Mark L. Keschl, v.p.-real estate; Sanford Bolinger, v.p.-merchandise planning & allocation-Toys "R" Us United States; Ronald Tuchman, sr. v.p. & divisional merchandise manager-Toys "R" Us United States; Van H. Butler, sr. v.p.-marketing & divisional mdse. mgr.-Toys "R" Us United States; Robert J. Weinberg, sr. v.p. & divisional merchandise mgr.-Toys "R" Us United States; Dennis Healey, v.p.-management information systems; Richard Cudrin, v.p.-employee & labor relations- Toys "R" Us United States; Martin Fogelman, v.p.-divisional merchandise mgr.- Toys "R" Us United States; E. Kent Kinard, v.p.-operations-Toys "R" Us United States; Michael J. Madden, v.p.-physical distribution-Toys "R" Us United States; Thomas J. Reinebach, v.p.-operations- Toys "R" Us United States; Robert Rossi, v.p.Toys "R" Us (HK) Limited; Ernest V. Speranza, v.p.-advertising-Toys "R" Us United States; Gregory Staley, v.p.-divisional merchandise mgr.-Toys "R" Us United States; Jeffrey S. Wells, v.p.-human resources-Toys "R" Us United States; Donald L. Margolis, v.p.-controller; Michael P. Miller, sr. v.p.-real estate; Bruce C. Hall, sr. v.p.-store merchandising & support services; Michael L. Tumolo, v.p.-real estate counsel; Joseph R. Baczko, pres.-Toys "R" Us-International; Michael M. Searles, pres.-Kids "R" Us; Daniel Englander, v.p.-Management Information Systems-Kida "R" Us; James A. Fobert, v.p.-operations- Kids "R" Us; Debra G. Hyman, v.p.divisional merchandise mgr.-Kids "R" Us; Elizabeth S. Jordan, v.p.-human resources-Kids "R" Us; Lester Yassky, secretary, attorney-at-law; Bruce H. Kaplan, v.p.-divisional merchandise mgr.-Kids "R" Us; James G. Parros, v.p.-physical distribution-Kids "R" Us; Carl P. Spaulding, v.p.-stores-Kids "R" Us; Katherine Sperling, v.p.-divisional merchandise manager-Kids "R" Us; Louis Lipschitz, v.p.-treasurer; Arthur I. Weber, v.p.-finance & administration- Toys "R" Us; Eric Swartwood, v.p.-architecture & construction; Lorelei J. Yudice, v.p. & general merchandise manager-Kids "R" Us; Philip Bloom, v.p. & general merchandise manager-Toys "R" Us Int'l.; Adam Szopinski, v.p.-operations- Toys "R" Us International; Joseph Giamelli, v.p.-management Information Systems-Toys "R" Us International.

Directors: Charles Lazarus, chairman of the board; Albert E. Christie, Milton S. Gould, Norman Ricken, Norman M. Schneider, Harold M. Wit, Robert A. Bernhard, Howard W. Moore, Michael Goldstein, Robert C. Nakasone.

Business Activities: Operates 404 Toys "R" Us toy stores in the U.S. and 74 internationally, and 137 Kids "R" Us children's clothing stores. Toys "R" Us stores are located in 39 states, Canada (27), the United Kingdom (23), West Germany (13), Hong Kong (1), Singapore (2), and Malaysia (2); Kids "R" Us stores are located in 21 states, primarily in the Northeast and Midwest.

Subsidiaries:

Toys "R" Us (U.K.) Ltd.
Toys "R" Us (Canada) Ltd.
Toys "R" Us-Metro (Singapore) Pte Ltd.
Toys "R" Us (West Germany) GmbH
Toys "R" Us-Lifung (Hong Kong)
Toys "R" Us (Italy) S.p.A.
Toys "R" Us Europe
Toys "R" Us (France) S.A.R.L.

Transfer Agent(s):

American Stock Transfer and Trust Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: TOY

Number of Stores: (at fiscal year end)

1990	615	1987	342
1989	522	1986	273
1988	428		

Sales & Earnings

	Net Sales +	Net Income
1990	$ 4,787,830,000	$ 321,080,000
1989	4,000,192,000	268,024,000
1988	3,136,568,000	203,922,000
1987	2,444,903,000	152,217,000
1986	1,976,134,000	119,774,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	195,905,000	$ 1.64
1989	197,262,000	1.36
1988	196,188,000	1.04
1987	195,409,000	0.78
1986	193,863,000	0.62

+ Including leased depts.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	—	—	3-for-2
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 1,705,346,000	$ 8.70
1989	1,423,687,000	7.22
1988	1,135,321,000	5.79
1987	901,041,000	4.61
1986	717,394,000	3.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account
(000's)

Year ended	1/28/90	1/29/89
Net sales	$ 4,787,830	$ 4,000,192
Cost of sales	3,309,653	2,766,543
Expenses	866,399	736,329
Depreciation & amortization	65,839	54,564
Interest expense	44,309	25,812
Interest income	(12,050)	(11,880)
Income before taxes	$ 513,680	$ 428,824
Income taxes	192,600	160,800
Net Income	$ 321,080	$ 268,024

Assets
(000's)

As of	1/28/90	1/29/89
Cash & short-term invest.	$ 40,895	$ 122,912
Accts. receiv., net	53,098	68,030
*Inventories	1,230,394	931,120
Prepaid expenses	13,965	10,822
Current Assets	$ 1,338,352	$ 1,132,884
#Fixed assets	1,702,974	1,396,962
Other assets	33,362	25,114
Total Assets	$ 3,074,688	$ 2,554,960

Liabilities
(000's)

Short-term notes	$ 205,513	$ 76,133
Accts. payable	517,903	505,370
Accruals	280,517	240,928
Inc. taxes pay.	96,033	55,839
Curr. Liabilities	$ 1,099,966	$ 878,270
Long-term debt	159,518	159,888
Cap. lease oblig.	13,467	14,296
Deferred inc. taxes	96,391	78,819
+ Common stock	19,797	13,164
Add. paid-in capital	324,616	305,739
Retained earnings	1,436,855	1,122,445
For. curr. trans. adjust.	23,010	28,049
Treasury stock	(96,973)	(43,407)
Receiv. from stock options	(1,959)	(2,303)
Total Liabilities & Shareholders' Equity	$ 3,074,688	$ 2,554,960

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.73	10.72
%Net Income to Sales	6.71	6.70
%Net Income to Equity	18.83	18.83
Sales to Inventories	3.89	4.30
Debt to Equity	0.22	0.18
Working Capital	$ 238,386,000	$ 254,614,000
Current Ratio	1.22	1.29
Shareholders' Equity	$ 1,705,346,000	$ 1,423,687,000

Trak Auto Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200
FAX: (301) 731-1340

(a majority-owned subsidiary of Dart Group Corporation)

Officers: Herbert H. Haft, chairman & chief exec. officer; Robert M. Haft, president; Thomas V. Reilly, exec. v.p.; Gloria G. Haft, v.p.; Richard J. Koll, treasurer & chief financial officer; Edward E. Szydlik, pres.-Trak Corp.;

Robert E. Brann, v.p.; Daniel A. Garcia, Jr., v.p.; Joseph Slovick, v.p.; S. John Steines, v.p.; James A. Verkinderen, v.p.; Richard Bonham, asst. v.p.; Frank Ortiz, asst. v.p.; Carol Schofield, asst. v.p.; Robert Verbeck, asst. v.p.; Jon Washburn, asst. v.p..

Directors: Herbert H. Haft, chairman of the board; Robert M. Haft, Gloria G. Haft, Warren E. Tydings, James G. Leonard, Claudine B. Malone, Richard Koll.

Business Activities: Engaged in the retail sale of quality brand name automobile parts and accessories for the do-it-yourself market through 300 discount specialty stores in the Washington, D.C., Richmond, Virginia, Baltimore, Maryland, Los Angeles, California, and Chicago, Illinois, areas.

Subsidiary:

Trak Corporation

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRKA (NASDAQ)

Number of Stores: (at fiscal year end)*

1989	300	1986	217
1988	274	1985	93
1987	251		

* Excludes previous joint venture with Thrifty Corporation.

Sales & Earnings

	Net Sales	Net Income
1990	$ 275,468,000	$ 2,552,000
1989	243,107,000	2,790,000
1988	212,166,000	4,653,000
1987	183,667,000	1,270,000
1986	97,833,000	797,000

	No. of Com. Shares ‡	Earn. per Share ‡
1990	5,785,000	$ 0.44
1989	5,879,000	0.47
1988	6,002,000	0.78
1987	6,008,000	0.21
1986	5,998,000	0.13

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 63,483,000	$ 10.97
1989	61,244,000	10.42
1988	59,061,000	9.84
1987	55,304,000	9.21
1986	54,026,000	9.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Jan. 31	1990	1989
Net sales	$ 275,468,000	$ 243,107,000
Other income	570,000	1,094,000
Total income	$ 276,038,000	$ 244,201,000
Cost of sales	212,258,000	195,555,000
Expenses	52,950,000	39,018,000
Depreciation & amortization	3,950,000	2,626,000
Interest expense	2,706,000	2,378,000
Income before taxes	$ 4,174,000	$ 4,624,000
Income taxes	1,622,000	1,834,000
Net Income	$ 2,552,000	$ 2,790,000

Assets

As of Jan. 31	1990	1989
Cash	$ 4,523,000	$ 5,615,000
Short-term invest.	84,000	2,891,000
Accts. receiv., net	7,265,000	6,976,000
*Inventories	87,596,000	82,185,000
Other curr. assets	686,000	902,000
Current Assets	$ 100,154,000	$ 98,569,000
#Fixed assets	38,525,000	26,733,000
Deferred taxes	1,100,000	1,100,000
Other assets	3,000	1,000
Total Assets	$ 139,782,000	$ 126,403,000

Liabilities

Notes payble	$ 7,805,000	$ —
Cap. lease oblig., curr.	856,000	902,000
Accts. payable	27,180,000	39,931,000
Accrued payroll	3,855,000	3,018,000
Accrued taxes	3,619,000	1,840,000
Other accruals	5,076,000	4,299,000
Income taxes payable	600,000	134,000
Due to affil.	52,000	50,000
Curr. Liabilities	$ 49,043,000	$ 50,174,000
Cap. lease oblig.	26,189,000	14,985,000
Reserve for closed facil.	1,067,000	—
+Common stock	60,000	60,000
Add. paid-in capital	41,289,000	41,289,000
Retained earnings	23,950,000	21,398,000
Treasury stock	(1,816,000)	(1,503,000)
Total Liabilities & Shareholders' Equity	$ 139,782,000	$ 126,403,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value

Statistical Summary

%Income bef. Taxes to Sales	1.52	1.90
%Net Income to Sales	0.93	1.15
%Net Income to Equity	4.00	4.56
Sales to Inventories	3.14	2.96
Debt. to Equity	0.55	0.26
Working Capital	$ 51,111,000	$ 48,395,000
Current Ratio	2.04	1.96
Shareholders' Equity	$ 63,783,000	$ 61,244,000

Tuesday Morning, Inc.

14621 Inwood Road
Dallas, Texas 75244
(214) 387-3562
FAX: (214) 991-5403

Officers: Lloyd L. Ross, chairman of the board, president & chief executive officer; Edward J. Lysen, sr. v.p.-distribution & chief financial officer; Stephen L. Higgins, sr. v.p.-buying; Marshall Cooper, v.p.-distribution; Jerry M. Smith, sr. v.p.-advertising, public relations & stores.

Directors: Lloyd L. Ross, chairman; Edward J. Lysen, H. Russell Potts, Jr., Richard J. Silk, David Taylor.

Areas of Work: Operates 118 deep discount retail stores principally in the South, under the name Tuesday Morning. These stores are open only for four sales events each year, each sales event lasting four to eight weeks. The major categories of merchandise are: fine china and gifts, silver serving accessories, glass and crystalware, brass decor room accessories, linen and bath, luggage, seasonal items for such occasions as Christmas, Easter and Halloween, packaged gourmet products, silk flowers, toys, and men and women's gift accessories.

Transfer Agent(s):

NCNB Texas National Bank
Corporate Trust Department
P.O. Box 831402
Dallas, Texas 75283-1402

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TUES (NASDAQ)

Number of Stores:*

1989	118	1986	71
1988	101	1985	63
1987	85		

* Tuesday Morning stores only.

Sales & Earnings

	Net Sales	Net Income
1989	$ 96,777,000	$ 4,316,000
1988	81,625,000	3,517,000
1987	72,867,000	4,017,000
1986	62,204,000	3,612,000
1985	52,830,000	2,502,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,922,000	$ 1.10
1988	3,902,000	0.90
1987	3,968,000	1.01
1986	3,735,000	0.97
1985	2,740,000	0.91

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	—	—	—
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 33,342,000	$ 8.50
1988	29,278,000	7.50
1987	25,620,000	6.46
1986	21,594,000	5.78
1985	8,424,000	3.07

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 96,777,300	$ 81,624,706
Cost of sales	55,755,817	47,228,241
Expenses	34,127,669	28,682,420
Interest income	(518,339)	(317,494)
Interest expense	1,041,956	933,496
Other income	(168,419)	(231,345)
Income before taxes	$ 6,538,616	$ 5,329,388
Income taxes	2,223,062	1,811,992
Net Income	$ 4,315,554	$ 3,517,396

* Included in Costs and Expenses, Depreciation and Amortization: $1,531,432 in 1989 and $1,214,601 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 14,813,795	$ 13,716,520
Inc. tax receiv.	—	253,329
*Inventories	18,640,257	14,583,183
Prepaid expenses	834,853	532,504
Other curr. assets	612,921	454,728
Current Assets	$ 34,901,826	$ 29,540,264
#Fixed assets	13,871,833	14,378,894
Receivable from officer	151,380	151,380
Other assets	163,057	351,030
Total Assets	$ 49,088,096	$ 44,421,568

Liabilities

Long-term debt, curr.	$ 835,906	$ 851,132
Accts. payable	2,330,375	3,778,933
Accrued taxes	955,384	804,926
Accrued advertising	707,511	—
Other accruals	798,266	670,516
Income taxes	1,754,609	—
Curr. Liabilities	$ 7,382,051	$ 6,105,507
Long-term debt	7,061,161	7,890,321
Deferred inc. taxes	1,303,218	1,147,564
+Common stock	39,377	39,171
Add paid-in capital	9,456,392	9,708,662
Retained earnings	23,845,897	19,530,343
Total Liabilites & Shareholders' Equity	$ 49,088,096	$ 44,421,568

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.76	6.53
%Net Income to Sales	4.46	4.31
%Net Income to Equity	12.94	12.01
Sales to Inventories	5.19	5.60
Debt to Equity	0.24	0.30
Working Capital	$ 27,519,775	$ 23,434,757
Current Ratio	4.73	4.84
Shareholders' Equity	$ 33,341,666	$ 29,278,176

The United States Shoe Corporation

One Eastwood Drive
Cincinnati, Ohio 45227
(513) 527-7000
FAX: (513) 561-2007

Officers: Philip G. Barach, chairman of the board; Bannus B. Hudson, president & chief executive officer; Howard Platt, exec. v.p. & president-footwear wholesaling & retailing; Robert J. Petrik, v.p. & treasurer; Martin Sherman, sr. v.p. & chief exec. officer-Retail Development & Services Div.; James J. Crowe, v.p., secretary & gen. counsel; Edward Klee, v.p.-finance; Edwin C. Gerth, v.p. & controller.

Directors: Philip G. Barach, chairman; John F. Lebor, Harold O. Toor, Gilbert Hahn, Jr., Daniel G. Ross, Bannus B. Hudson, Albert M. Kronick, John L. Roy, Joseph H. Anderer, Philip L. Lowe, Lorrence T. Kellar.

Business Activities: The Company owns and operates 483 shoe stores and leased departments, 1,721 women's apparel specialty stores, and shoe manufacturing facilities. Also operates 355 optical retail stores in the U.S. and 23 in Canada, and engages in direct mail marketing.

Retail Divisions and Subsidiaries:

The Banister Shoe Company
Operates factory outlet shoe stores in 27 states.

Wm. Hahn Co.
7600 Jefferson Avenue
Landover, Maryland 20785
(202) 322-4550
Operates women's and men's shoe stores in 13 states and Washington, D.C., under the name Hahn Shoes. Also operates U.S. Shoe concepts stores in 14 states and Washington, D.C.

Cincinnati Shoe Co.
11445 Century Boulevard
Cincinnati, Ohio
(513) 731-2800
Operates approximately 50 shoe specialty stores and 130 leased footwear departments.

Concept Stores
Concept shoe stores, including The Cobbie Shop, Joyce-Selby Shoes, and Shop for Pappagallo.

Up's N Downs
Operates 378 stores offering moderately priced sportswear for women aged 18 to 35.

Caren Charles
Operates 198 stores selling medium-priced apparel for women aged 25 to 50.

August Max
95-24 63rd Road
Rego Park, New York 11374
(212) 274-9055
Operates 13 stores targeted for older, affluent female clientele.

Cabaret
Operates 16 stores offering fashion accessories for younger women.

Casual Corner
107 Phoenix Avenue
Enfield, Connecticut 06082
(203) 741-0771
Operates 747 women's apparel stores primarily located in shopping malls.

Petite Sophisticate
Apparel retailer operating 237 stores specializing in clothes made Apparel designed for petite women.

Career Image
Operates 16 stores retailing apparel of medium-to-better quality for the working woman.

T.H. Mandy
Operates 21 stores offering brand-name apparel at discounted prices.

Lenscrafters
Operates 354 eyewear stores in approximately 100 metropolitan areas.

Transfer Agent(s):

First Chicago Trust Company of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: USR

Number of Retail Units: (at fiscal year end)

1989	2,550	1986	2,267
1988	2,503	1985	2,047
1987	2,327		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 2,557,158,000	$ 49,187,000
1988	2,343,045,000	12,965,000
1987	2,167,554,000	52,065,000
1986	2,003,246,000	25,472,000
1985	1,920,225,000	64,875,000

	No. of Com. Shares †	Earn. per Share ‡
1989*	44,882,754	$ 1.10
1988	44,530,996	0.29
1987	44,172,786	1.16
1986	44,365,872	0.57
1985	43,949,554	1.46

* 53 weeks.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share quivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Specialty apparel & other retailing	$ 1,234,500	$ 1,151,300
Optical retailing	531,700	414,300
Footwear:		
Manufacturing/ wholesaling	517,400	522,700
Retailing	273,600	254,700
Total	$ 2,557,200	$ 2,343,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1989	$ 0.46	—	—
1988	0.46	—	—
1987	0.46	—	—
1986	0.46	—	2-for-1
1985	0.44 1/2	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1989	$ 548,561,000	$ 12.22
1988	516,632,000	11.60
1987	518,393,000	11.74
1986	488,818,000	11.03
1985	477,344,000	10.86

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 2,557,158	$ 2,343,045
Cost of sales	1,392,045	1,328,807
Expenses	1,051,998	941,907
Interest expense	25,070	27,188
Other expense	5,744	24,399
Income before taxes	$ 82,301	$ 20,744
Income taxes	33,114	7,779
Net Income	$ 49,187	$ 12,965

* Included in Costs and Expenses, Depreciation and Amortization: $73,572,000 in 1990 and $65,855,000 in 1989.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 21,266	$ 10,117
Fut. tax benefits	31,039	28,410
Receiv., net	125,048	134,751
*Inventories	459,443	406,921
Prepaid expenses	23,730	12,986
Current Assets	$ 660,526	$ 593,185

The United States Shoe Corporation

#Fixed assets	461,791	473,486
Other assets	41,838	44,717
Total Assets	$ 1,164,155	$ 1,111,388

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 21,003	$ 27,245
Accts. payable	235,910	207,181
Accruals	117,428	89,944
Curr. Liabilities	$ 374,341	$ 324,370
Long-term debt	163,528	187,723
Cap. lease oblig.	14,899	14,651
Deferred inc. taxes	47,285	56,987
Deferred credits	15,541	11,025
+Common stock	61,225	57,886
Retained earnings	487,336	458,746
Total Liabilities & Shareholders' Equity	$ 1,164,155	$ 1,111,388

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.22	0.89
%Net Income to Sales	1.92	0.55
%Net Income to Equity	8.97	2.51
Sales to Inventories	5.57	5.76
Debt to Equity	0.36	0.44
Working Capital	$ 286,185,000	$ 255,829,000
Current Ratio	1.76	1.79
Shareholders' Equity	$ 548,561,000	$ 516,632,000

Village Super Market, Inc.

733 Mountain Avenue
Springfield, New Jersey 07081
(201) 467-2200
FAX: (201) 467-6582

Officers: Nicholas Sumas, chairman of the board; Perry Sumas, chief executive officer & president; James Sumas, chief operating officer, v.p. & treasurer; Robert Sumas, v.p. & secretary; John Sumas, v.p.; William Sumas, v.p.; Kevin Begley, chief financial officer; Carol Lawton, v.p. & asst. secretary; Frank Sauro, general counsel.

Directors: Nicholas Sumas, chairman; Perry Sumas, James Sumas, Robert Sumas, John Sumas, William Sumas, John J. McDermott, George J. Andresakes.

Business Activities: Operates a chain of 27 "Shop-Rite" supermarkets located in New Jersey and Pennsylvania. Also operates a liquor store and a variety store.

Subsidiaries:

Supermill, Inc.
Easton Shop-Rite, Inc.
Village Liquor, Inc.
Washington Associates, Inc.
Supermarket Management Services Co., Inc.
Starns Markets, Inc.

Transfer Agent(s):

Midlantic National Bank
Edison, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VLGEA (NASDAQ)

Number of Stores: (at fiscal year end)

1989	27	1986	21
1988	27	1985	21
1987	26		

Sales & Earnings

	Net Sales	Net Income
1989	$ 658,143,000	$ 5,050,000
1988*	621,468,000	6,140,000
1987	567,395,000	4,173,000
1986	402,930,000	3,232,000
1985	379,398,000	2,719,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989	3,322,053	$ 1.52
1988*	3,343,376	1.84
1987	2,411,869	1.73
1986	2,343,376	1.38
1985	2,343,376	1.16

* 53 weeks.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.25	–	—
1988	0.25	—	—
1987	0.20	—	4-for-1
1986	0.15	—	—
1985	0.15	—	—

+ Based on Class A and Class B shares adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Earn. per Share ‡
1989	$ 47,943,303	$ 14.43
1988	47,501,369	14.21
1987	41,783,636	17.32
1986	20,349,064	8.68
1985	17,311,226	7.39

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account

Year ended	7/29/89 (53 weeks)	7/30/88
Net sales	$ 658,143,314	$ 621,467,617
Cost of sales	502,358,877	476,043,033
Expenses	135,502,816	124,119,996
Depreciation & amortization	7,145,592	6,537,062
Interest expense	4,618,276	4,345,290
Inc. bef. taxes	$ 8,517,753	$ 10,422,236
Income taxes	3,468,000	4,282,000
Net Income	$ 5,049,753	$ 6,140,236

Assets

As of	7/29/89	7/30/88
Cash & cash equiv.	$ 12,890,381	$ 7,567,942
Receiv., net	4,713,176	4,799,296
*Inventories	22,700,886	20,762,968
Prepaid expenses	611,235	674,790
Inc. taxes receiv.	—	599,810
Current Assets	$ 40,915,678	$ 34,404,806
Investments	6,151,505	5,368,127
#Fixed assets	64,963,091	65,955,677
Other assets	1,755,557	1,712,716
Intangibles	16,782,879	17,302,909
Total Assets	$ 130,568,710	$ 124,744,235

Liabilities

Long-term debt, curr.	$ 1,398,581	$ 1,204,743
Cap. lease oblig., curr	341,312	309,257
Accts. payable & accruals	32,374,483	27,802,697
Income taxes	162,903	—
Def. inc. taxes pay.	533,000	502,000
Curr. Liabilities	$ 34,810,279	$ 29,818,697
Notes & mortg. payable	29,563,203	29,910,932
Capitalized lease oblig.	13,110,412	13,451,724
Deferred inc. taxes	5,141,513	4,061,513
+ Class A common stock	18,126,876	18,103,251
+ Class B common stock	1,037,275	1,037,275
Retained earnings	33,042,902	28,405,843
Treasury stock	(4,263,750)	(45,000)
Total Liabilities & Shareholders' Equity	$ 130,568,710	$ 124,744,235

* Perishables at (FIFO) cost; dairy, frozen foods, liquor at FIFO; grocery and non-foods at LIFO.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	1.29	1.68
% Net Income to Sales	0.77	0.99
% Net Income to Equity	10.53	12.93
Sales to Inventories	28.99	29.93
Debt to Equity	0.93	0.94
Working Capital	$ 6,105,399	$ 4,586,109
Current Ratio	1.18	1.15
Shareholders' Equity	$ 47,943,303	$ 47,501,369

The Vons Companies, Inc.

618 Michillinda Avenue
Arcadia, California 91007
(818) 821-7000

Mailing Address:
P.O. Box 3338, Terminal Annex
Los Angeles, California 90051

Officers: Roger E. Stangeland, chairman of the board & chief executive officer; William S. Davila, president; Dennis K. Eck, vice chairman & chief operating officer; Robert P. Bermingham, sr. v.p., secretary & general counsel; Michael F. Henn, exec. v.p. & chief financial officer; Garrett R. Nelson, exec. v.p.-retail support services; Peter M. Horn, III, sr. v.p. & gen. mgr.-Vons Supermarkets; Kenneth F. Sekella, sr. v.p.-human resources; Charles J. Stos, sr. v.p.-distribution & manufacturing; Robert J. Kelly, sr. v.p.-procurement/merchandising; Philip L. Maslowe, group v.p.-finance; Joseph F. Raymond, sr. v.p. & gen. mgr.-pavilions; Christopher T. Linskey, v.p. & gen. mgr.-tianguis, Harvey S. Durand, group v.p.-drug stores; Donald R. Hays, group v.p.-operations.

Directors: Roger E. Stangeland, chairman; Fritz L. Duda, Hamilton E. James, Peter T. Joseph, Jack C. Shewmaker, William Y. Tauscher, Robert L. MacDonnell, Peter A. Magowan, David Bonderman, William S. Davila, Dennis K. Eck.

Business Activities: Operates 328 supermarkets and food-and-drug combination stores throughout southern California and Clark County, Nevada, under the names Vons Supermarkets (221), Vons Food and Drug Combination Stores (74), Pavilions/Pavilions Place (25), and Tianguis (8). Also operates a bakery and processes food and dairy products.

Divisions:

Vons Supermarkets
Offers a full line of groceries along with perishable and service departments.

Vons Food and Drug Stores
Offers health and beauty items and cosmetics.

Pavillions
Offers a wide product selection, as well as expanded perishable and service departments such as "THe Greenhouse" florist shops.

Tianguis
Offers a broad range of grocery and perishable items with the Hispanic in mind.

Acquisition:

The Company acquired substantially all of the Safeway Southern California operations in August 1988.

Transfer Agent(s):

National Bank of Detroit
Shareholder Transfer Department
P.O. Box 330751
Detroit, Michigan 48232

Stock Exchange(s): New York

Ticker Symbol: VON

Number of Stores: (at fiscal year end)

1989	328
1988	350
1987	193

NOTE: The Allied Supermarkets merger was completed on July 22, 1987. The pro forma results represent the operations of only the Vons Companies, Inc., assuming the Allied Supermarkets merger and asset sale occurred at the beginning of each reporting period.

Sales & Earnings

	Net Sales	Net Income #
12/31/89	5,220,700,000	$ (25,100,000)
1/1/89	3,916,600,000	(23,900,000)
1/3/88*	3,276,000,000	1,600,000
12/28/86	2,953,500,000	(35,700,000)

	No. of Com. Shares	Earn. per Share #‡
12/31/89	38,726,398	$ —
1/1/89	38,718,090	—
1/3/88*	27,049,640	0.06
12/28/86	27,049,640	—

(Loss)
* 53 weeks.
# Including extraordinary gain of $5,500,000 ($0.20 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/31/89	$ 190,000,000	$ 4.91
1/1/89	214,000,000	5.53
1/3/88	153,900,000	5.69
6/27/87	63,300,000	4.54

Income Account *
(000's)

Year ended	12/31/89	1/1/89
Net sales	$ 5,220,700	$ 3,916,600
Cost of sales	4,106,900	3,100,600
Expenses	1,024,400	756,300
Amort. of intangibles	13,800	10,300
Interest expense	99,600	71,800
Loss before taxes	$ (24,000)	$ (22,400)
Income taxes	1,100	1,500
Net Loss	$ (25,100)	$ (23,900)

* Included in Costs and Expenses, Depreciation and Amortization: $57,200,000 in 1989 and $44,300,000 in 1988.

Assets
(000's)

As of	12/31/89	1/1/89
Cash	$ 6,900	$ 6,600
Accts. receiv., net	51,600	50,600
*Inventories	343,900	340,800
Other curr. assets	16,100	10,900
Current Assets	$ 418,500	$ 408,900
#Fixed assets	602,500	617,100
Capital leases	43,800	49,000
Exc. of cost over assets acq.	534,000	527,300
Other assets	55,800	71,100
Total Assets	$ 1,654,600	$ 1,673,400

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 4,800	$ 4,700
Accts. payable	324,700	331,000
Accruals	181,400	213,100
Curr. Liabilities	$ 510,900	$ 548,800
Accrued self-insur.	114,900	110,700
Long-term debt	364,000	440,900
Subord. debt	425,000	306,100
Capital leases	49,800	52,900
+Common stock	3,900	3,900
Add. paid-in capital	216,000	215,900
Retained earnings (deficit)	(29,500)	(4,400)
Notes receiv. for stock	(400)	(1,400)
Total Liabilities & Shareholders' Equity	$ 1,654,600	$ 1,673,400

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	15.18	11.49
Debt to Equity	4.44	3.76
Shareholders' Equity	$ 190,000,000	$ 214,000,000

Waban Inc.

One Mercer Road
Natick, Massachusetts 01760
(508) 651-6500

Officers: Sumner L. Feldberg, chairman of the board; John F. Levy, president & chief exec. officer; John R. Chase, exec. v.p.; James F. Halpin, exec. v.p.; Herbert J. Zarkin, exec. v.p.; George C. Freeman, v.p. & treasurer; Sarah M. Gallivan, v.p., general counsel & secretary; Edward J. Weisberger, v.p.-finance.

Directors: John H. Bustamante, Stanley H. Feldberg, Sumner L. Feldberg, Joe M. Henson, John F. Levy, Arthur F. Loewy, Walter J. Salmon, Lorne R. Waxlax.

Business Activities: The Company is engaged in the growing field of warehouse merchandising through its HomeClub and BJ's Wholesale Club chains. HomeClub offers high-quality, brand-name home improvement products at everyday low prices through 58 warehouses located in the Western United States, with the majority in California. BJ's operates a 23-unit chain of self-service, cash-and-carry food and general merchandise membership warehouse clubs located mainly in the Northeastern United States.

Divisions and Subsidiaries:

BJ's Wholesale Club
One Mercer Road
Natick, Massachusetts 01760
(508) 651-7400

HomeClub
140 Orangefair Mall
Suite 100
Fullerton, California 92632
(714) 441-0171

Transfer Agent(s):

The First Chicago Trust Co. of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: WBN

Number of Stores: (at fiscal year end)

	BJ's Wholesale	HomeClub
1990	23	58
1989	22	46
1988	19	36
1987	15	28
1986	11	18

Sales & Earnings

	Net Sales	Net Income #
1990	$ 2,056,512,000	$ 28,765,000
1989	1,652,481,000	17,222,000
1988	1,253,247,000	6,518,000
1987	909,933,000	(11,922,000)
1986	402,581,000	(11,801,000)

	No. of Com. Shares	Earn. per Share #+
1990	28,568,914	$ 1.01

# Including extraordinary gain of $2,340,000 in 1988.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1990	1989
BJ's Wholesale Club	$ 984,580,000	$ 817,154,000
HomeClub	1,071,932,000	835,327,000
Total	$ 2,056,512,000	$ 1,652,481,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 265,266,000	$ 9.29
1989	46,685,000	—
1988	29,458,000	—
1987	22,940,000	—
1986	34,862,000	—

Income Account *
(000's)

Year ended	1/27/90	1/28/89
Net sales	$ 2,056,512	$ 1,652,481
Cost of sales	1,776,834	1,434,645
Expenses	228,033	175,818
Interest expense	3,120	13,179
Income before taxes	$ 48,525	$ 28,839
Income taxes	19,760	11,617
Net Income	$ 28,765	$ 17,222

* Included in Costs and Expenses, Depreciation and Amortization: $13,820,000 in 1990 and $9,720,000 in 1988.

Assets
(000's)

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 15,416	$ 29,942
Accts. receiv., net	12,324	12,233
•Inventories	329,160	260,764
Prepaid expenses	5,010	3,352
Current Assets	$ 361,910	$ 306,291
#Fixed assets	154,774	133,209
†Prop. under cap. leases	17,103	14,124
Other assets	3,281	2,554
Total Assets	$ 537,068	$ 456,178

Liabilities
(000's)

Long-term debt, curr.	$ 2,622	$ 2,603
Cap. lease oblig., curr.	489	264
Accts. payable	165,765	124,875
Accruals	55,352	42,732
Accrued inc. taxes	(40)	(251)
Current Liabilities	$ 224,188	$ 170,223
Long-term debt	12,929	17,894
Cap. lease oblig.	18,491	14,954
Deferred income taxes	8,551	5,380
Other liabilities	7,643	5,424
Loans & advances from Zayre	—	195,618
+Common stock	286	283
Add. paid-in capital	242,615	52,802
Retained earnings (deficit)	22,365	(6,400)
Total Liabilities & Shareholders' Equity	$ 537,068	$ 456,178

• At lower of cost (average) or market.
Less accumulated depreciation and amortization.
† Less accumulated amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.36	1.75
% Net Income to Sales	1.40	1.04
% Net Income to Equity	10.84	36.89
Sales to Inventories	6.25	6.34
Debt to Equity	0.13	1.77
Working Capital	$ 137,722,000	$ 136,068,000
Current Ratio	1.61	1.80
Shareholders Equity	$ 265,266,000	$ 46,685,000

Wal-Mart Stores, Inc.

702 SW 8th Street
P.O. Box 116
Bentonville, Arkansas 72716
(501) 273-4000

Officers: Sam M. Walton, chairman of the board; David D. Glass, president & chief executive officer; S. Robson Walton, vice chairman; Donald G. Soderquist, vice chairman & chief operating officer; Paul R. Carter, exec. v.p. & chief financial officer; Bill Fields, exec. v.p.-merchandise & sales; A. L. Miles, exec. v.p.-special projects; Dean L. Sanders, exec. v.p.-operations; John E. Tate, exec. v.p.-professional services; Nick White, exec. v.p.-Sam's Wholesale Club; Thomas M. Coughlin, sr. v.p.-operations, Sam's Wholesale Club; David Dible, sr. v.p.-general merchandise mgr.; Joseph S. Hardin, Jr., sr. v.p.-distribution & transportation; Joseph P. Hatfield, sr. v.p.-general merchandise manager; Harold E. Johnson, sr. v.p.-operations; Bobby L. Martin, sr. v.p.-data processing; Kendall Schwindt, sr. v.p.-operations; Thomas P. Seay, sr. v.p.-real estate & construction; Robert K. Voss, sr. v.p.-general merchandise manager, Sam's Wholesale Club; James L. Walton, sr. v.p.; Colon Washburn, sr. v.p.-general merchandise manager; Wesley C. Wright, sr. v.p.-special divisions; B. D. Adams, v.p.-operations; Suzanne Allford, v.p.-People Division; Clarence H. Archer, v.p.-pharmacy; Harryetta Bailey, v.p.-divisional merchandise manager; Stephen M. Bailey, v.p.-merchandise systems; Curtis Barlow, v.p.-real estate; Robert T. Bruce, v.p.-inventory management; J. R. Campbell, v.p.-divisional merchandise mgr.; Dwight A. Carney, v.p.-divisional merchandise mgr.; Richard Donckers, v.p.-Hypermart USA; Arthur Emmanuel, v.p.-operations; Lawrence E. Fennell, v.p.-operations; Steve Furner, v.p.-operations; Roger Lee Gildehaus, v.p.-divisional merchandise manager; David H. Gorman, v.p.-loss prevention; Doyle Graham, v.p.-business systems; Harry S. Green, v.p.-operations, Sam's Wholesale Club; Michael J. Guccione, v.p.-jewelry; Robert L. Hart, v.p.-operations; Paul Higham, v.p.-marketing and sales promotion; Lewis R. Hobbs, v.p.-divisional merchandise mgr.; William L. Hutcheson, v.p.-Shoe Division; Peter Jasan, v.p.-divisional merchandise mgr.; Lolan C. Mackey, v.p.-operations; Richard L. Mahan, v.p.-divisional merchandise mgr.; Peter C. Metzger, v.p.-imports; Harold A. Miller, Jr., v.p.-operations; Robert J. Murphey, v.p.-construction; Duane G. Naccarato, v.p.-operations; Thomas R. Putnam, v.p.-operations; Charles Rateliff, v.p.-treasurer; Melvin C. Redman, v.p.-store planning; Robert K. Rhoads, v.p.-general counsel & secretary; Charles Russell, v.p.-operations; Leroy W. Schuetts, v.p.-operations; H. Lee Scott, Jr., v.p.-distribution; Lew Skelton, v.p.-operations; Thomas N. Smith, v.p.-operations; Mike Spear, v.p.-general merchandise mgr.-Hypermart USA; Steve Tiernan, v.p.-general merchandise mgr., Sam's Wholesale Club; P. Terry Tucker, v.p.-divisional merchandise mgr.; James A. Walker, Jr., v.p.-controller; Larry E. Williams, v.p.-operations; Andrew H. Wilson, v.p.-operations; William C. Woodard, v.p.-merchandise planning; Jim Woodruff, v.p.-divisional merchandise mgr..

Directors: Sam M. Walton, chairman; David R. Banks, Paul R. Carter, Hillary Rodham Clinton, John A. Cooper, Jr., David D. Glass, A. L. Johnson, James H. Jones, Robert Kahn, Charles Lazarus, William H. Seay, Jack Shewmaker, Donald G. Soderquist, John E. Tate, James L. Walton, S. Robson Walton.

Business Activities: Operates 1,259 Wal-Mart retail stores in 25 states in the South, Southwest and Midwest; also operates 105 Sam's Wholesale Clubs in 21 states, 14 dot Discount Drug Stores, three Helen's Arts and Crafts Stores, and three Hypermart USA stores.

Transfer Agent(s):

Boatmen's Trust Company
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

Stock Exchange(s): New York, Pacific

Ticker Symbol: WMT

Number of Stores: (at fiscal year end)

1989	1,384	1986	887
1988	1,215	1985	756
1987	1,038		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 20,649,001	$ 837,221
1988	15,959,255	627,643
1987	11,909,076	450,086
1986	8,451,489	327,473
1985	6,400,861	270,767

	No. of Com. Shares #	Earn. per Share ‡
1989	565,591,000	$ 1.48
1988	565,111,944	1.11
1987	564,365,892	0.79
1986	562,090,942	0.58
1985	560,889,492	0.48

Adjusted to reflect stock dividends.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1989	$ 0.160	—	—
1988	0.120	100%	—
1987	0.085	—	—
1986	0.070	100%	—
1985	0.052	—	—

† Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 3,007,909,000	$ 5.32
1988	2,257,267,000	3.99
1987	1,690,493,000	3.00
1986	1,277,659,000	2.27
1985	984,672,000	1.76

‡ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Jan. 31	1989	1988
Net sales	$ 20,649,001	$ 15,959,255
Other income	136,867	104,783
Total income	$ 20,785,868	$ 16,064,038
Cost of sales	16,056,856	12,281,744
Expenses	3,267,864	2,599,367
Interest & debt expense	135,681	114,257
Income before taxes	$ 1,325,467	$ 1,068,670
Income taxes	488,246	441,027
Net Income	$ 837,221	$ 627,643

• Included in Costs and Expenses, Depreciation and Amortizaition: $213,629,000 in 1989 and $165,962,000 in 1988.

Assets
(000's)

As of Jan. 31	1989	1988
Cash	$ 12,553	$ 11,325
Receiv., net	126,638	95,928
Recov. costs from sales	114,653	126,917
•Inventories	3,351,367	2,651,760
Prepaid expenses	25,776	19,215
Current Assets	$ 3,630,987	$ 2,905,145
#Fixed assets	1,757,066	1,358,268
Prop. held under cap. leases	904,888	786,584
Goodwill	41,036	47,034
Other assets & def. charges	25,691	34,778
Total Assets	$ 6,359,668	$ 5,131,809

Liabilities
(000's)

Notes payable	$ 19,000	$ 104,382
Long-term debt, curr.	1,690	2,046
Oblig. under cap. leases curr.	19,659	16,498
Accts. payable	1,389,730	1,099,961
Accrued payroll	126,661	89,118
Other accruals	281,156	229,921
Income taxes	121,158	120,773
Other taxes	106,855	81,064
Curr. Liabilities	$ 2,065,909	$ 1,743,763

Long-term debt	184,439	185,672
Cap. lease oblig.	1,009,046	866,972
Deferred inc. taxes	92,365	78,135
+Common stock	56,559	56,511
Add. paid-in capital	174,277	170,440
Retained earnings	2,777,073	2,030,316
Total Liabilities & Shareholders' Equity	$ 6,359,668	$ 5,131,809

• At cost (LIFO) not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.42	6.70
%Net Income to Sales	4.05	3.93
%Net Income to Equity	27.83	27.81
Sales to Inventories	6.16	6.02
Debt to Equity	0.41	0.52
Working Capital	$ 1,565,078,000	$ 1,161,382,000
Current Ratio	1.76	1.67
Shareholders' Equity	$ 3,007,909,000	$ 2,257,267,000

Walgreen Co.

200 Wilmot Road
Deerfield, Illinois 60015
(312) 940-2500
FAX: (312) 940-1663

Officers: Charles R. Walgreen, III, chairman & chief exec. officer; Fred F. Canning, president & chief operating officer; Charles D. Hunter, executive v.p. & chief financial officer; L. Daniel Jorndt, sr. v.p. & treasurer; Glenn S. Kraiss, sr. v.p.-drug store operations; John R. Brown, sr. v.p.-distribution & manufacturing; Vernon A. Brunner, sr. v.p.-marketing; Julian A. Oettinger, v.p., gen. counsel & corp. secretary; John A. Rubino, v.p.-human resources; William A. Shiel, v.p.-facilities development; George C. Eilers, v.p.-purchasing; Robert C. Atlas, v.p.-drug store operations; Jerome B. Karlin, v.p.-drug store operations; Roger L. Polark, v.p.-administration; Roger H. Clausen, controller; Joel H. Levin, asst. secretary; Nancy Godfrey, asst. secretary; Edward H. King, asst. secretary; Alan M. Resnick, asst. secretary; John M. Palizza, asst. treasurer; Richard C. Hilderbrandt, asst. treasurer; John F. Richter, asst. controller.

Directors: Charles R. Walgreen, III, Arthur C. Nielsen*, Jr., Charles D. Hunter*, Fred F. Canning*, John B. Schwemm, Theodore Dimitriou*, Marilou M. Hedlund, James J. Howard, William H. Springer.

* Member of the Executive Committee

Business Activities: Operates a chain of 1,418 Walgreen drug stores in 30 states and the Commonwealth of Puerto Rico. The states with the greatest number of stores include Illinois (261), Florida (249), and Texas (176). The Company also operates facilities for the production of health, beauty and household products, and for photo processing.

Divisions:

Drug Store Division
Manufacturing Division
Photo Processing Studios

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe Street, 11th Floor
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: WAG

Number of Stores: (at fiscal year end)

1989	1,484	1986	1,273
1988	1,416	1985	1,095
1987	1,356		

Sales & Earnings

	Net Sales # (000's)	Net Income (000's)
1989	$ 5,380,133	$ 154,242
1988	4,883,520	129,062
1987	4,281,606	103,537
1986	3,660,553	103,137
1985	3,161,935	94,169

	No. of Com. Shares +	Earn. per Share ‡
1989	61,516,516	$ 2.50
1988	61,513,540	2.10
1987	61,503,868	1.68
1986	61,495,436	1.67
1985	61,397,868	1.53

# Of continuing operations only.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1989	$ 0.68	—	—
1988	0.60	—	—
1987	0.54	—	—
1986	0.50	—	—
1985	0.44	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1989	$ 823,401,000	$ 13.39
1988	712,644,000	11.59
1987	622,328,000	10.12
1986	553,611,000	9.00
1985	480,974,000	7.83

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Aug. 31	1989	1988
Net sales	$ 5,380,133	$ 4,883,520
Cost of sales	3,848,546	3,468,973
Expenses	1,278,116	1,190,295
Interest expense	18,841	19,809
Interest income	(15,323)	(4,527)
Loss on sale of mfg. oper.	6,114	—
Income before taxes	$ 243,839	$ 208,970
Income taxes	89,597	79,908
Net Income	$ 154,242	$ 129,062

* Included in Costs and Expenses, Depreciation and Amortization: $63,752,000 in 1989 and $59,362,000 in 1988.

Assets
(000's)

As of Aug. 31	1989	1988
Cash	$ 20,546	$ 18,793
Marketable securities	204,995	190,945
Accts. receiv., net	93,365	76,062
*Inventories	728,544	655,376
Other curr. assets	35,586	30,630
Current Assets	$ 1,083,036	$ 971,806
#Fixed assets	578,959	536,930
Other assets	19,084	3,144
Total Assets	$ 1,681,079	$ 1,511,880

Liabilities
(000's)

Long-term debt, curr.	$ 2,853	$ 2,612
Accts. payable	299,556	255,549
Accrued exp. & other liab.	233,429	204,438
Income taxes	9,058	20,773
Curr. Liabilities	$ 544,896	$ 483,372
Long-term debt	150,121	172,111
Deferred inc. taxes	133,077	115,946
Other liabilities	29,584	27,807
+Common stock	76,896	76,892
Retained earnings	746,505	635,752
Total Liabilities & Shareholders' Equity	$ 1,681,079	$ 1,511,880

* At LIFO cost.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.53	4.28
%Net Income to Sales	2.87	2.64
%Net Income to Equity	18.73	18.11
Sales to Inventories	7.38	7.45
Debt to Equity	0.19	0.25
Working Capital	$ 538,140,000	$ 488,434,000
Current Ratio	1.99	2.01
Shareholders' Equity	$ 823,401,000	$ 712,644,000

Wall To Wall Sound & Video, Inc.

200 South Route 130
Cinnaminson, New Jersey 08077
(609) 786-8300
FAX: (609) 786-9691

(On July 20, 1990, the company filed a voluntary petition in the United States Bankruptcy Court seeking to reorganize under Chapter 11 of the U.S. Bankruptcy Code.)

Officers: Jerome Shulman, chairman, president & chief exec. officer; Lee Swede, exec. v.p., secretary & treasurer; Bruce Bell, sr. v.p.; Charles F. Dombrowski, v.p.-finance & chief financial officer; Gary Shulman, v.p.-music; Scott Shulman, v.p.-store operations; Donald A. Schmoyer, v.p.-store construction; Michael A. Dorer, v.p.-personnel; Edward Kochman, v.p.-administrative services; Lawrence Gross, v.p.-merchandising; Richard D. Sidkoff, v.p. & general counsel.

Directors: Jerome Shulman, chairman; Lee Swede, Bruce Bell, Gary Shulman, Scott Shulman, Stephen A. Levine.

Business Activities: Operates retail stores through which it offers a broad range of home entertainment and consumer electronic products.

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTWS (NASDAQ)

Number of Stores: (at fiscal year end)

1990	96	1987	85
1989	106	1986	83
1988	90		

Sales & Earnings

	Net Sales	Net Income
1990	$ 171,534,199	$ (3,679,476)
1989	152,059,200	1,007,186
1988	132,361,771	3,392,958
1987*	98,463,000	2,837,000
1986	101,500,000	3,147,000

	No. of Com. Shares	Earn. per Share ‡
1990	5,300,000	$ —
1989	5,300,000	0.19
1988	5,300,000	0.64
1987*	5,300,000	0.54
1986	5,300,000	0.60

(Loss)
* 9 Months
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share
1990	$ 20,776,315	$ 3.92
1989	24,455,791	4.61
1988	23,448,605	4.42
1987	20,055,647	3.78
1986	17,218,899	3.25

† After allowing for preferred stock at par value.

Income Account

Year ended Feb. 29	1990	1989
Net sales	$ 171,534,199	$ 152,059,200
Cost of sales	115,922,819	100,081,776
Expenses	53,903,417	44,968,131
Depreciation & amortization	4,798,712	3,847,730
Interest expense	3,628,727	1,594,377
Inc. (loss) bef. taxes	$ (6,719,476)	$ 1,567,186
Income taxes (credit)	(3,040,000)	560,000
Net Income (Loss)	$ (3,679,476)	$ 1,007,186

Assets

As of Feb. 28	1990	1989
Cash	$ 1,741,207	$ 1,790,105
Accts. receiv., net	1,225,356	2,217,758
*Inventories	56,171,132	56,743,695
Refund. inc. taxes	2,376,102	—
Deferred costs	1,016,548	1,444,042
Current Assets	$ 62,530,345	$ 62,195,600
†Rental tapes	3,235,650	3,642,232
#Fixed assets	18,876,568	16,167,811
Deferred costs	210,358	493,568
Cash value of officers' life insur.	159,904	179,935
Total Assets	$ 85,012,825	$ 82,679,146

Liabilities

Notes payables	$ 16,300,000	$ 19,000,000
Long-term debt, curr.	12,245,456	1,300,000
Accts. payable	28,764,874	21,116,747
Accrued adv. expenses	1,381,844	1,834,361
Other accruals	3,207,030	4,426,163
Income taxes	442,916	688,417
Curr. Liabilities	$ 62,342,120	$ 48,365,688
Long-term debt	126,390	7,861,667
Deferred inc. taxes	1,468,000	1,696,000
+Preferred stock	300,000	300,000
++Common stock	53,000	53,000
Add. paid-in capital	5,412,000	5,412,000
Retained earnings	15,311,315	18,990,791
Total Liabilities & Shareholders' Equity	$ 85,012,825	$ 82,679,146

* At lower of cost (FIFO) or market.
† Less accumulated amortization.
# Less accumulated depreciation and amortization.
+ $100 par vaue; 12% noncumulative convertible.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.03
%Net Income to Sales	—	0.66
%Net Income to Equity	—	4.07
Sales to Inventories	3.23	2.68
Debt to Equity	1.36	1.14
Working Capital	$ 188,225	$ 13,829,912
Current Ratio	1.00	1.29
Shareholders' Equity	$ 21,076,315	$ 24,755,791

The Warnaco Group, Inc.

(Became a privately held corporation in May 1986)
11111 Santa Monica Boulevard
Los Angeles, California 90025
(213) 473-0032
FAX: (213) 479-7810

Warnaco, Inc.
90 Park Avenue
New York, New York 10016
(212) 661-1300

350 Lafayette Street
Bridgeport, Connecticut 06601
(203) 579-8272

Officers: Andrew G. Galef, chairman; Linda J. Wachner, president & chief executive officer; Roger A. Williams, sr. v.p. & chief financial officer; Paul E. Dixon, sr. v.p. & general counsel; William S. Finkelstein, v.p. & controller; Stanley P. Silverstein, secretary.

Directors: Andrew G. Galef, chairman; Linda J. Wachner, Bruce I. Raben, Robert D. Walter, Robert J. Dolan, Florence R. Skelly.

Business Activities: The company designs, manufactures, imports, markets and sells a broad line of moderate to premium priced apparel, accessories and related products for men and women. Warnaco also sells excess and out-of-season products through 43 company-owned retail outlet stores.

Divisions:

Menswear Division
Intimate Apparel Division
International Division
Outlet Store Division

Subsidiaries:

Warnaco, Inc.
Warnaco International Inc.
Warnaco Limited
Warnaco Men's Sportswear Inc.
Warnaco of Canada Limited
Warnaco Sourcing Inc.
Warnaco Sourcing Limited
Warmana Limited
Warner's Aiglon, S.A. (France)
Warner's Company (Belgium) S.A.
Warner's de Costa Rico Inc.
Warner's de Honduras, S.A.
Warner's de Mexico, S.A. de C.V.
C.F. Hathaway Company
Foxfire International Co. Inc.
Hamlet Shirt Co. Ltd.
Juarmex, S.A. de C.V.
Warner's (United Kingdom) Ltd.
Olguita de Mexico, S.A.
Tilbes Servisport Inc.
Warner's Teoranta (Eire)
Warnaco Acquisition Subsidiary Inc.
184 Benton Street Inc.

Number of Stores: (at fiscal year end)

1989	43	1987	55
1988	41		

NOTE: The Warnaco Group, Inc. was incorporated in Delaware on March 14, 1986, and on May 10, 1986 acquired substantially all of the outstanding shares of Warnaco Inc. Warnaco is the principal operating subsidiary of The Warnaco Group.

Sales & Earnings

	Revenues #	Net Income x
12/30/89	$ 516,373,000	$ (20,758,000)
12/31/88	520,277,000	(5,104,000)
1/2/88	455,136,000	(10,803,000)
1/3/87*	278,518,000	(39,046,000)
5/10/86+‡	146,480,000	(4,336,000)

	No. of Com. Shares †	Earn. per Share x†
12/30/89	2,084,100	$ —
12/31/88	2,061,900	—
1/2/88	2,000,000	—
1/3/87*	2,000,000	—
5/10/86+‡	N.A.	—

(Loss)
N.A. - Not Available.
* 8 months.
+ 5 months
‡ Predecessor company.
# Of continuing operations only.
x Including extraordinary loss of $2,866,000 in 1988.
† Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/30/89	$ (71,545,000)	$ —
12/31/88	(44,232,000)	—
1/2/88	(34,811,000)	—
1/3/87	(21,449,000)	—

(Deficiency)

Income Account *

Year ended	12/30/89	12/31/88
Net revenues	$ 516,373,000	$ 648,919,000
Cost of revenues	332,396,000	333,489,000
Expenses	124,442,000	122,732,000
Interest expense	66,045,000	61,587,000
Non-recurring credits	—	(1,876,000)
Inc. (loss) bef. taxes	$ (6,510,000)	$ 4,345,000
Income taxes	1,392,000	65,000
Inc. (loss)-cont. oper.	$ (7,902,000)	$ 4,280,000
Loss-discont. oper.	(12,856,000)	(14,543,000)
Net Loss	$ (20,758,000)	$ (10,263,000)
Extraord. loss	—	(2,866,000)
Cum. effect of acct. change	—	8,025,000
Net Loss & extraord. loss	$ (20,758,000)	$ (5,104,000)

* Included in Costs and Expenses, Depreciation and Amortization: $22,920,000 in 1989 and $23,058,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 9,519,000	$ 12,505,000
Accts. receiv., net	80,414,000	92,265,000
*Inventories	111,674,000	99,246,000
Prepaid expenses	7,561,000	7,346,000
Current Assets	$ 209,168,000	$ 211,362,000
#Fixed assets	77,139,000	79,733,000
Net assets-discont. oper.	67,381,000	84,025,000
Deferred fin. costs	25,876,000	31,120,000
Licenses & trademarks	56,046,000	62,312,000
Exc. of cost over assets acq.	157,271,000	161,438,000
Total Assets	$ 592,881,000	$ 629,990,000

Liabilities
(000's)

Notes payable	$ 2,894,000	$ 2,165,000
Long-term debt, curr.	46,395,000	1,020,000
Accts. payable & accruals	49,544,000	33,433,000
Accrued compensation	11,470,000	13,887,000
Accrued interest	8,936,000	7,200,000
Other accruals	14,116,000	13,222,000
Income taxes	5,153,000	6,609,000
Curr. Liabilities	$ 138,508,000	$ 77,536,000
Long-term debt	481,293,000	550,038,000
Other liabilities	3,125,000	5,148,000
Redeem. preferred stock	41,500,000	41,500,000
+Common stock:		
Class B	15,000	15,000
Class A	6,000	6,000
Add. paid-in capital	20,931,000	20,598,000
Cum. trans. adjust.	3,720,000	4,753,000
Retained earnings (def.)	(94,961,000)	(68,703,000)
Notes receiv.-stock issue	(1,256,000)	(901,000)
Total Liabilities & Shareholders' Equity	$ 592,881,000	$ 629,990,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Working Capital	$ 70,660,000	$ 133,826,000
Current Ratio	1.51	2.73
Shareholders' Equity (Deficiency)	$ (71,545,000)	$ (44,232,000)

Webster Clothes, Inc.

8901 Yellow Brick Road
Baltimore, Maryland 21237
(301) 391-8811
FAX: (301) 391-8850

Officers: Samuel M. Feldman, chairman of the board & president; Stephen A. Blake, exec. v.p.-finance & administration, treasurer & secretary; Neil G. Goldenberg, exec. v.p.-merchandising; Stephen L. Hirsch, v.p. & chief financial officer; Cathie A. Degonia, v.p.-marketing & communications; Wayne L. Vaden, regional v.p.; Gretchen V. Feldman, asst. secretary.

Directors: Samuel M. Feldman, chairman; Stephen A. Blake, Alfred I. Coplan, Gretchen V. Feldman, Irving G. Katz, Mimi Levin Lieber.

Business Activities: Operates 130 men's wear retail stores in regional malls in 25 states nationwide, under the names "Webster Men's Wear," "Zeidler & Zeidler" and "Aggio."

Division:

Aggio
Engaged in the retail sale of men's upscale sportswear.

Z & Z Fashions Ltd.
1804 Lincoln Boulevard
Santa Monica, California 90404
(213) 870-2745
Operates 19 men's clothing stores, all under the name of Zeidler & Zeidler, in California and Nevada.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WEBS (NASDAQ)

Number of Stores:

1990	130	1987	88
1989	132	1986	81
1988	126		

Sales & Earnings

	Net Sales	Net Income
1989*	$ 72,472,000	$ (1,110,000)
1988	68,018,000	(761,000)
1987	59,966,000	1,977,000
1986	48,273,000	2,030,000
1985	42,324,000	1,993,000

	No. of Com. Shares ‡	Earn. per Share ‡
1989*	3,200,000	$ —
1988	3,219,000	—
1987	3,250,000	0.61
1986	3,185,000	0.64
1985	3,000,000	0.66

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 14,513,000	$ 4.54
1988	15,623,000	4.85
1987	16,509,000	5.08
1986	14,532,000	4.56
1985	10,236,000	3.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 72,472	$ 68,018
Cost of sales	39,133	35,725
Expenses	34,206	32,650
Oper. loss	$ (867)	$ (357)
Interest expense	1,500	1,073
Other income	(76)	(384)
Loss before taxes	$ (2,291)	$ (1,046)
Tax credit	(1,181)	(285)
Net Loss	$ (1,110)	$ (761)

* Included in Costs and Expenses, Depreciation and Amortization: $2,732,000 in 1989 and $2,547,000 in 1988.

Assets
(000's)

As of	2/3/90	1/28/89
Cash & cash equiv.	$ 282	$ 2,548
*Inventories	9,894	9,045
Accts. receiv., net	1,376	989
Refundable taxes	1,227	459
Prepaid expenses	448	989
Other curr. assets	206	226
Current Assets	$ 13,433	$ 14,256
# Fixed assets	19,306	19,965
Intangibles	1,219	1,288
Total Assets	$ 33,958	$ 35,509

Liabilities
(000's)

Long-term debt, curr.	$ 1,378	$ 1,268
Accts. payable	5,132	4,936
Accruals	1,491	1,684
Curr. Liabilities	$ 8,001	$ 7,888
Long-term debt	10,149	11,015
Deferred inc. taxes	659	683
Other liabilities	636	300
+ Common stock	33	33
Add. paid-in capital	3,468	3,468
Retained earnings	11,137	12,247
Treasury stock	(125)	(125)
Total Liabilities & Shareholders' Equity	$ 33,958	$ 35,509

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	7.32	7.52
Debt to Equity	0.79	0.79
Working Capital	$ 5,432,000	$ 6,368,000
Current Ratio	1.68	1.81
Shareholders' Equity	$ 14,513,000	$ 15,623,000

Weiman Co., Inc.

4801 West Peterson
Chicago, Illinois 60646
(312) 286-1121
FAX: (312) 286-7355

Officers: Richard D. Goddard, chairman of the board & president; Ronald Meyers, exec. v.p.; Paul Bohlmann, secretary & treasurer.

Directors: Richard D. Goddard, chairman; Ronald Meyers, Peter O. Fetzer, Ronald S. Sheldon.

Business Activities: Manufacturer and distributor of consumer and industrial products primarily in the field of photography. The photographic group sells photographic and audio visual equipment and supplies, partly through two retail photographic equipment outlets, operates film processing and development laboratories and develops negatives, prints, slides and film strips. Through its ADCO Products Division, the Company operates a mail order jewelry business

Division and Subsidiaries:

Photographic Group

Standard Photo Supply Company
Chicago, Illinois

AGS&R Communications
Chicago, Illinois

Gamma Photo Labs
Chicago, Illinois

National Photo and Camera Company
Chicago, Illinois

Astra Photo Service
Chicago, Illinois

Mail Order Group

ADCO Products Division
Chicago, Illinois

Transfer Agent(s):

Register and Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: WC

Number of Stores: (at fiscal year end)

1988	2	1986	3
1987	2	1985	2

Sales & Earnings

	Net Sales +	Net Income #
1988	$ 41,756,000	$ (1,409,907)
1987	38,910,000	43,968
1986	37,005,000	240,188
1985	34,542,000	830,607
1984	30,059,000	595,624

	No. of Com. Shares	Earn. per Share #‡
1988	758,958	$ —
1987	758,958	0.06
1986	726,958	0.32
1985	726,958	1.10
1984	726,958	0.79

+ Of continuing operations only.
# Including extraordinary gains of $147,000 ($0.19 per share) in 1985 and $228,000 ($0.30 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Photographic	$ 33,944,000	$ 31,921,000
Mail order segment	7,783,000	6,900,000
Corporate	29,000	89,000
Total	$ 41,756,000	$ 38,910,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.16	—	—
1987	0.16	—	—
1986	0.16	—	—
1985	0.15	—	—
1984	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 4,464,719	$ 5.88
1987	5,996,000	7.90
1986	5,997,000	8.25
1985	5,873,000	8.08
1984	5,151,000	7.09

Income Account *

Year ended Dec. 31	1988	1987
Net sales	$ 41,601,284	$ 38,713,119
Other income	154,737	196,584
Total income	$ 41,756,021	$ 38,909,703
Cost of sales	24,659,522	22,529,148
Expenses	16,926,789	15,426,035
Non-recurrring charges	920,000	—
Interest expense	654,617	513,996
Inc. (loss) bef. taxes	$ (1,404,907)	$ 440,524
Income taxes	—	195,000
Inc. (loss)-cont. oper	$ (1,409,907)	$ 245,524
Loss-discont. oper.	—	(201,556)
Net Income (Loss)	$ (1,409,907)	$ 43,968

* Included in Costs and Expenses, Depreciation and Amortization: $870,423 in 1988 and $793,071 in 1987.

Assets

As of Dec. 31	1988	1987
Cash & cash equiv.	$ 662,061	$ 1,378,432
Accts. receiv., net	4,603,722	4,526,219
Recov. inc. taxes	57,589	323,030
*Inventories	3,132,675	2,711,207
Prepaid expenses	579,948	903,491
Deferred inc. taxes	—	182,000
Current Assets	$ 9,035,995	$ 10,024,379
#Fixed assets	7,302,778	3,793,488
Other assets	441,275	705,039
Cost in exc. of assets acq.	687,152	715,760
Total Assets	$ 17,467,200	$ 15,238,666

Liabilities

	1988	1987
Long-term debt, curr.	$ 862,834	$ 920,050
Accts. payable	2,148,577	1,651,833
Employee compensation	1,453,789	1,329,721
Accruals	445,777	464,554
Income taxes	—	29,058
Prov. for sale of division	920,000	—
Curr. Liabilities	$ 5,830,977	$ 4,395,216
Long-term debt	6,996,504	4,531,391
Deferred comp.	175,000	245,000
Deferred inc. taxes	—	71,000
+Common stock	767,558	767,558
Add. paid-in capital	805,122	805,122
Retained earnings	2,926,481	4,457,821
Treasury stock	(34,442)	(34,442)
Total Liabilities & Shareholders' Equity	$ 17,467,200	$ 15,238,666

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1988	1987
%Net Income to Equity	—	0.73
Sales to Inventories	13.28	14.28
Debt to Equity	1.76	0.91
Working Capital	$ 3,205,018	$ 5,629,163
Current Ratio	1.55	2.28
Shareholders' Equity	$ 4,464,719	$ 5,996,059

Weis Markets, Inc.

1000 South Second Street
Sunbury, Pennsylvania 17801
(717) 286-4571
FAX: (717) 286-3286

Officers: Sigfried Weis, president; Robert F. Weis, vice president and treasurer; Micheal C. Rheam, vice president and secretary; Richard D. Madison, v.p.-merchandising; Alan L. Barrick, v.p.-engineering and manufacturing; Walter B. Bruce, v.p.-private label; George J. Michalak, v.p.-perishables; Norman S. Rich, v.p.-store operations; Richard L. Wetzel, v.p.-finance; Richard L. Kunkle, v.p.-pharmacy.

Directors: Sigfried Weis, Robert F. Weis, Micheal C. Rheam, Charles H. Watts, II, Peter M. Sacerdote.

Business Activities: Operates supermarkets in Pennsylvania, New York, West Virginia, Virginia & Maryland, under the name of Weis Markets. Weis Food Service distributes frozen foods and grocery items to restaurants and institutions. Also operates seven Amity House Restaurants.

Subsidiary:

Albany Public Markets, Inc.
Sunbury, Pennsylvania

Division:

Weis Food Service
Northumberland, Pennsylvania

Transfer Agent(s):

Mellon Bank (East)
Securities Transfer Services
Pittsburgh, Pennsylvania 15219-1173

Stock Exchange(s): New York

Ticker Symbol: WMK

Number of Stores: (at fiscal year end)

1989 120
1988 117
1987 116
1986 116
1985 122

Sales & Earnings

	Net Sales	Net Income
1989	$ 1,239,272,000	$ 86,429,000
1988*	1,189,236,000	82,624,000
1987	1,128,325,000	75,982,000
1986	1,101,473,000	65,261,000
1985	1,017,173,000	60,144,000

	No. of Com. Shares #	Earn. per Share #
1989	45,338,024	$ 1.91
1988*	45,514,210	1.82
1987	45,722,336	1.66
1986	45,999,126	1.42
1985	46,167,586	1.30

* 53 weeks.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.56	—	—
1988	0.50	—	—
1987	0.43	—	3-for-2
1986	0.36	—	—
1985	0.32	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 567,266,000	$ 12.51
1988	509,819,000	11.20
1987	454,012,000	9.93
1986	407,494,000	8.86
1985	365,828,000	7.92

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended	12/30/89 (53 weeks)	12/31/88
Net sales	$ 1,239,272,000	$ 1,189,236,000
Cost of sales	917,091,000	880,196,000
Expenses	222,118,000	208,394,000
Int. & div. income	(23,533,000)	(19,174,000)
Other Income	(10,414,000)	(10,088,000)
Income before taxes	$ 134,010,000	$ 129,908,000
Income taxes	47,581,000	47,284,000
Net Income	$ 86,429,000	$ 82,624,000

* Included in Costs and Expenses, Depreciation and Amortization: $22,048,000 in 1989 and $19,552,000 in 1988.

Assets

As of	12/30/89	12/31/88
Cash	$ 623,000	$ 303,000
Marketable securities	355,476,000	317,824,000
Accts. receiv., net	12,057,000	10,506,000
*Inventories	85,322,000	81,703,000
Prepaid expenses & other assets	11,241,000	8,398,000
Current Assets	$ 464,719,000	$ 418,734,000
#Fixed assets	187,289,000	173,230,000
Intangibles	3,628,000	3,702,000
Total Assets	$ 655,636,000	$ 595,666,000

Liabilities

Accts. payable	$ 55,536,000	$ 54,001,000
Accruals	12,270,000	11,543,000
Contrib. to pension plans	3,516,000	3,077,000
Income taxes	5,821,000	7,953,000
Curr. Liabilities	$ 77,143,000	$ 76,574,000
Deferred income taxes	11,227,000	9,273,000
+Common stock	6,767,000	6,587,000
Retained earnings	594,160,000	533,122,000
Treasury stock	(33,661,000)	(29,890,000)
Total Liabilities & Shareholders' Equity	$ 655,636,000	$ 595,666,000

* At lower of cost (LIFO & average cost method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.81	10.92
%Net Income to Sales	6.97	6.95
%Net Income to Equity	15.24	16.21
Sales to Inventories	14.52	14.56
Working Capital	$ 387,576,000	$ 342,160,000
Current Ratio	6.02	5.47
Shareholders' Equity	$ 567,266,000	$ 509,819,000

Weisfield's, Inc.

(The Company was acquired by Sterling, Inc., a private coorporation.)

800 South Michigan Street
Seattle, Washington 98108
(206) 767-5011

Officers: Herman Blumenthal, chairman & chief executive officer; Leslie Rosenberg, president & chief operating officer; Jerry Denning, v.p.-operations, Southern Region; Gerald A. Prosio, treasurer & chief financial officer; E. Robert Nelson, v.p., gen. counsel & secretary; Lloyd D. Jowers, v.p.-operations, Northern Region.

Directors: Herman Blumenthal, Leslie Rosenberg, Daniel Baty, Thomas Foster, David C. Wyman.

Business Activities: Operates jewelry stores under the name "Weisfield Jewelers" in California, Washington, Oregon, Nevada, Arizona, Colorado, Alaska, Maryland and Virginia.

Number of Stores: (at fiscal year end)

1989 85
1988 82
1987 79
1986 82
1985 79

Sales & Earnings

	Revenues +	Net Income
1989	$ 59,544,000	$ 1,795,000
1988	54,906,000	1,447,000
1987	50,640,000	1,300,000
1986	48,847,000	1,831,000
1985	45,949,000	1,812,000

	No. of Com. Shares	Earn. per Share †
1989	1,080,719	$ 1.65
1988	1,090,119	1.32
1987	1,095,694	1.19
1986	1,095,732	1.52
1985	1,303,834	1.39

+ Of continuing operations only.
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.50	—	—
1988	0.50	—	—
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1989	$ 22,470,000	$ 20.79
1988	21,424,000	19.65
1987	20,637,000	18.83
1986	19,886,000	18.15
1985	21,439,000	16.44

Income Account

Year ended Jan. 31	1989	1988
Net sales	$ 59,490,000	$ 54,823,000
Other income	54,000	83,000
Total revenues	$ 59,544,000	$ 54,906,000
Cost of sales	25,773,000	24,872,000
Expenses	21,109,000	19,415,000
Rentals	4,714,000	4,127,000
Depreciation & amortization	2,070,000	1,847,000
Interest expense	1,445,000	926,000
Prov. for doubtful accts.	1,545,000	1,205,000
Income before taxes	$ 2,888,000	$ 2,514,000
Income taxes	1,093,000	1,067,000
Net Income	$ 1,795,000	$ 1,447,000

Assets

As of Jan. 31	1989	1988
Cash	$ 136,000	$ 103,000
Accts. receiv., net	22,841,000	18,918,000
Other receiv.	687,000	897,000
*Inventories	19,790,000	19,679,000
Prepaid expenses	222,000	382,000
Current Assets	$ 43,676,000	$ 39,979,000
#Fixed assets	9,990,000	9,262,000
Other assets	8,000	—
Total Assets	$ 53,674,000	$ 49,241,000

Liabilities

Notes payable	$ 12,700,000	$ 8,800,000
Long-term debt, curr.	1,000,000	1,000,000
Oblig. under cap. leases, curr.	54,000	49,000
Notes & trade acceptances payable	1,392,000	1,370,000
Accts. payable	8,619,000	7,536,000
Accruals	1,543,000	1,411,000
Income taxes	792,000	439,000
Deferred inc. taxes	1,608,000	2,286,000
Curr. Liabilities	$ 27,708,000	$ 22,891,000
Long-term debt	1,500,000	2,500,000
Oblig. under cap. leases	49,000	102,000
Deferred income taxes	1,947,000	2,324,000
+Common stock	2,391,000	2,391,000
Add. paid-in capital	438,000	438,000
Retained earnings	21,560,000	20,310,000
Treasury stock	(1,919,000)	(1,715,000)
Total Liabilities & Shareholders' Equity	$ 53,674,000	$ 49,241,000

* At cost (LIFO), which does not exceed market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.85	4.59
%Net Income to Sales	3.02	2.64
%Net Income to Equity	7.99	6.75
Sales to Inventories	3.01	2.79
Debt to Equity	0.68	0.58
Working Capital	$ 15,968,000	$ 17,088,000
Current Ratio	1.58	1.75
Shareholders' Equity	$ 22,470,000	$ 21,424,000

Wetterau Incorporated

8920 Pershall Road
Hazelwood, Missouri 63042
(314) 524-5000
FAX (314) 595-1620

Officers: Ted C. Wetterau, chairman of the board, chief executive officer & president; Robert K. Crutsinger, vice chairman; Robert E. Mohrmann, vice chairman; Robert J. Livingston, exec. v.p.; Milton C. Goldenberg, sr. v.p.; Mark S. Wetterau, sr. v.p.; T. Conrad Wetterau, sr. v.p.; George Chirtea, sr. v.p.; Dick N. Dalton, sr. v.p.-communications & strategic planning; W. Robert Tannehill, sr. v.p.; Robert L. Pomeroy, sr. v.p.; Matthew M. McCarthy, first v.p., gen. counsel and secretary; Roger D. Beard, v.p.-data processing; Kurt D. Blumenthal, sr. v.p. & chief financial officer; Andrew Levy, sr. v.p.-human resources; Charles A. Gauen, first v.p.-risk management; Ronald S. Humiston, v.p.-public relations; Joseph W. Lintzenich, v.p.-air transportation; William E. Patton, first v.p.-corp. real estate; William M. Moran, Jr., first v.p.; Michael L. Waitukaitis, first v.p.; Will F. Bellar, first v.p.; John C. Hembrow, first v.p.; Harlan W. Idel, treasurer; James V. Mroczkowski, first v.p.; Andrew P. Blassie, first v.p.; Denis C. Duker, v.p.-labor relations; William B. Winkeler, v.p. & controller; John W. Marsh, v.p.; Paul L. Fort, v.p.; Michael T. McGuire, v.p. & assistant secretary; James F. Porzenski, v.p.; A. Donald Szalanski, v.p.; A. Sue Rea, asst. secretary; Bernard J. Wurth, v.p.-corporate tax; Fred W. Harrell, assistant treasurer.

Directors: Ted C. Wetterau*, chairman; Clarence C. Barksdale, Raymond A. Bartolacci*, Paul A. Cox*, Robert K. Crutsinger*, Gene K. Davis, John J. Goebel*, John B. Higdon, Robert F. Hyland, Robert J. Livingston*, Robert E. Mohrmann*, William M. Moran, Jr., Richard C. Nieman*, John D. Ryan*, Virginia V. Weldon, Stanley Simon*, T. Conrad Wetterau, Mark S. Wetterau.

* Member of the Executive Committee

Business Activities: The Company ranks as one of the largest food wholesalers in the country. Its 24 food distribution centers serve nearly 2,750 IGA, Foodland, Save-A-Lot and other retailers in 29 states. Other company subsidiaries and divisions provide a wide range of support services and products -- general merchandise, insurance, transportation, bakery products, construction, finance, training, data processing and communication services. In the retail area, the Company operates more than 130 stores, including supermarkets, combination stores, department stores, drugstores, and health food stores in 10 states.

Divisions and Subsidiaries:

Trans Continental Leasing, Ltd.
St. Louis, Missouri

Food Lane Supermarkets
Shop 'n Save Warehouse Stores
Laneco Stores

Bright Department Stores
Lane Department Stores
Just Be Natural Stores
Save-A-Lot Stores
Save and Pack Supermarkets
Spee-D Mart Stores
Super Dollar Stores
CRx Pharmacies
Glenn-Wohlberg & Company

Foodland Distributors
Livonia, Michigan

Wetterau Builders, Inc.
Hazelwood, Missouri

Wetterau Insurance Co., Ltd.
Hamilton, Bermuda

Wetterau Finance Co.
Hazelwood, Missouri

Wetterau Information Services Division
Florissant, Missouri

Creative Management Institute
Hazelwood, Missouri

Wetterau Communications Services
Hazelwood, Missouri

Hazelwood Farms Bakeries, Inc.
Atlanta, Georgia; Hazelwood, Missouri; McMinnville, Oregon.

Transfer Agent(s):

Boatmen's Trust Company
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WETT (NASDAQ)

Number of Stores: (at fiscal year end)

1989	130
1988	131
1987	135
1986	65
1985	85

Sales & Earnings

	Net Sales	Net Income
1990	$ 5,292,174,000	$ 46,457,000
1989	4,918,229,000	43,251,000
1988*	4,155,861,000	38,565,000
1987	3,842,182,000	35,040,000
1986	3,482,315,000	31,825,000

	No. of Com. Shares +	Earn. per Share ‡
1990	21,828,000	$ 2.00
1989	23,651,000	1.82
1988*	24,330,000	1.58
1987	24,493,000	1.41
1986	26,875,000	1.45

* 53 weeks.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1990	1989
Food distribution	$ 4,970,715,000	$ 4,608,225,000
Industries	321,459,000	310,004,000
Total	$ 5,292,174,000	$ 4,918,229,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1990	$ 0.59	—	—
1989	0.55	—	—
1988	0.52	—	2-for-1
1987	0.51	—	—
1986	0.47	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1990	$ 206,550,000	$ 9.46
1989	230,047,000	9.73
1988	213,927,000	8.79
1987	209,861,000	8.57
1986	243,127,000	9.05

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	3/31/90	4/1/89
Net sales	$ 5,292,174	$ 4,918,229
Other income	95,428	84,796
Total income	$ 5,387,602	$ 5,003,025
Cost of sales	4,819,300	4,464,984
Expenses	458,538	432,705
Interest expense	33,898	32,889
Income before taxes	$ 75,866	$ 72,447
Income taxes	29,409	29,196
Net Income	$ 46,457	$ 43,251

* Included in Costs and Expenses, Depreciation and Amortization: $42,926,000 in 1989 and $40,409,000 in 1988.

Assets
(000's)

As of	3/31/90	4/1/89
Cash & temp. invest.	$ 2,231	$ 9,166
Accts. receiv., net	171,135	159,505
*Inventories	329,433	297,296
Invest. in dir. fin. leases	4,778	4,123
Prepaid expenses	15,337	14,755
Current Assets	$ 522,914	$ 484,845
Notes receivable	62,822	56,634
Invest. in dir. fin. leases	22,814	32,932
#Fixed assets	307,178	270,446
Intangibles	44,122	46,274
Other assets	70,478	60,992
Total Assets	$ 1,030,328	$ 952,123

Liabilities
(000's)

Short-term borr.	$ 55,878	$ 51,244
Long-term debt & cap. lease oblig., curr.	6,701	8,635
Accts. payable	258,575	202,369
Checks outstanding	30,976	40,913
Accruals	98,769	81,951
Income taxes	230	4,158
Curr. Liabilities	$ 451,129	$ 389,270
Long-term debt & cap. lease oblig.	323,131	283,217
Deferred inc. taxes	12,790	15,588
Other liabilities	36,728	34,001
+Common stock	27,045	27,045
Add. paid-in capital	124,303	123,444
Retained earings	203,396	170,618
Loan of ESOP	(19,709)	(20,680)
Treasury stock	(128,485)	(70,380)
Total Liabilities & Shareholders' Equity	$ 1,030,328	$ 952,123

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.43	1.47
%Net Income to Sales	0.88	0.88
%Net Income to Equity	22.49	18.80
Sales to Inventories	16.06	16.54
Debt to Equity	1.87	1.49
Working Capital	$ 71,785,000	$ 95,575,000
Current Ratio	1.16	1.25
Shareholders' Equity	$ 206,550,000	$ 230,047,000

Weyenberg Shoe Manufacturing Company

P.O. Box 1188
234 East Reservoir Avenue
Milwaukee, Wisconsin 53201
(414) 263-8800
FAX: (414) 263-8808

Officers: Thomas W. Florsheim, chairman of the board and chief exec. officer; Robert Feitler, president; James F. Gorman, v.p.; Peter S. Grossman, v.p.; Thomas O. McArdle, v.p.; Roland L. Keuler, secretary & treasurer; David N. Couper, v.p.; Thomas W. Florsheim, Jr., v.p..

Directors: Thomas W. Florsheim, chairman; Robert Feitler, Frederick P. Stratton, Jr., Frank W. Norris.

Business Activities: Manufactures, retails and wholesales men's footwear. Operates a nationwide chain of leased shoe departments and retail shoe stores, including Brass Boot Shoe Stores.

Divisions and Subsidiaries:

Nunn Bush Shoe Co., a wholly owned subsidiary of Weyenberg, manufactures, wholesales and retails men's footwear. Operates leased departments and stores including Brass Boots.

Morgan Hayes division of Nunn Bush retails men's footwear through a chain of stores and leased departments in Texas.

Adler Shoe Shops, a division of Nunn Bush Shoe Co., operates a chain of men's shoe stores in New York.

Retail Division
Stacy-Adams Division
Wholesale Division

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin 53202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WEYS

Number of Stores: (at fiscal year end)

	Leased Depts.	Co-owned Stores
1989	151	47
1988	129	54
1987	103	57
1986	90	65
1985	83	66

Sales & Earnings

	Net Sales	Net Income
1989	$ 138,867,759	$ 6,384,651
1988	126,295,279	5,094,496
1987	117,856,011	4,572,894
1986	106,702,862	4,309,671
1985	111,511,922	4,779,056

	No. of Com. Shares †	Earn. per Share †
1989	1,083,552	$ 5.89
1988	1,098,681	4.64
1987	1,102,988	4.15
1986	1,177,430	3.66
1985	1,193,586	4.01

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.95	—	—
1988	0.78	—	—
1987	0.72	—	2-for-1
1986	0.71	—	—
1985	0.61	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 44,968,541	$ 41.50
1988	39,798,818	36.22
1987	36,522,060	33.11
1986	32,559,336	27.65
1985	32,482,631	27.21

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1989	1988
Net sales	$ 138,867,759	$ 126,295,279
Cost of sales	89,803,744	84,616,959
Expenses	39,371,619	34,060,053
Oper. profit	$ 9,692,396	$ 7,618,267
Interest expense	26,760	362,657
Interest & other income	(571,015)	(882,886)
Income before taxes	$ 10,236,651	$ 8,138,496
Income taxes	3,852,000	3,044,000
Net Income	$ 6,384,651	$ 5,094,496

* Included in Costs and Expenses, Depreciation and Amortization: $943,738 in 1989 and $1,171,514 in 1988.

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 6,603,826	$ 8,239,774
Marketable secur.	—	500,000
Accts. receiv., net	22,897,842	20,055,405
*Inventories	24,984,902	18,225,688
Deferred inc. taxes	1,285,000	818,000
Current Assets	$ 55,771,570	$ 47,838,867
#Fixed assets	4,277,081	3,674,338
Other assets	2,093,044	1,435,001
Total Assets	$ 62,141,695	$ 52,948,206

Liabilities

Accts. payable	$ 8,630,825	$ 3,715,186
Dividend payable	270,826	217,647
Accruals	3,755,585	3,243,781
Income taxes	1,408,978	3,168,834
Curr. Liabilities	$ 14,066,214	$ 10,345,448
Deferred inc. taxes	1,274,000	1,319,000
Deferred compensation	1,832,940	1,484,940
+Common stock	817,397	819,852
+Class B common stock	265,901	267,960
Add. paid-in capital	1,302,925	1,302,925
Retained earnings	42,582,318	37,408,081
Total Liabilities & Shareholders' Equity	$ 62,141,695	$ 52,948,206

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.37	6.44
%Net Income to Sales	4.600	4.03
%Net Income to Equity	14.20	12.80
Sales to Inventories	5.56	6.93
Working Capital	$ 41,705,356	$ 37,493,419
Current Ratio	3.96	4.62
Shareholders' Equity	$ 44,968,541	$ 39,798,818

Wickes Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161
FAX: (213) 452-9509

(Became a privately held corporation on April 13, 1989, via a leveraged buyout by WCI Holdings Corporation, a corporation jointly owned by Blackstone Capital Partners, L.P. and Wasserstein, Perella Partners, L.P.)

Officers: James R. Birle, co-chairman of the board & chief exec. officer; Ronald D. Strongwater, v.p.-real estate; James N. Castleberry, v.p. & comptroller; Michael Jamieson, v.p.-financial planning & analysis; Robert S. Fenton, v.p.-tax and legal & secretary.

Directors: James R. Birle, Co-Chairman; Robert B. McKeon, Co-Chairman; Stephen A. Schwartzman, Randall J. Weisenburger, Jon B. Kutler, David A. Stockman.

Business Activities: Wickes conducts a variety of manufacturing and retail merchandising operations, directly and through subsidiaries. The company is engaged in three business segments: automotive and industrial products; home improvement and wallcoverings; and textiles.

Divisions and Subsidiaries:

Builders Emporium
2162 Michelson Drive
Irvine, California 92715
(714) 975-0808

Operates do-it- yourself retail home centers, offering a wide variety of hardware, building materials, tools, and other items. The chain has 95 stores in the state of California, 1 in Arizona, 4 in Nevada under the Ole's Name, 4 stores in New Mexico under the Allwoods and Cashways names and 4 stores in Texas under the Cashways name.

Collins & Aikman Corporation
210 Madison Avenue
New York, New York 10016
(212) 578-1200

Collins & Aikman Wallcoverings is a manufacturer and marketer of wallcoverings for the residential and commercial markets.

Orchard Supply Hardware

Number of Stores: (at fiscal year end)

1989	108
1988	149
1987	174
1986	385
1985	800

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1990	$ 2,991,845	$ 233,858
1989	3,216,556	(122,542)
1988	3,085,139	180,511
1987	1,818,886	83,750
1986	726,427	76,130

	No. of Com. Shares ‡	Earn. per Share #‡
1990	47,808,000	$ 4.80
1989	47,779,000	—
1988	47,815,000	3.68
1987	39,770,000	1.65
1986	19,662,000	2.35

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $167,510,000 ($3.50 per share) in 1990 and extraordinary loss of $11,509,000 ($0.24 per share) in 1988.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Revenues by Line of Business
(000's)

	1990	1989
Automotive & industr. prods.	$ 1,147,492	$ 1,175,343
Home improve. & wallcoverings	1,014,789	1,252,695
Textiles	829,564	788,518
Total	$ 2,991,845	$ 3,216,556

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 5.04	—	—
1989	—	—	—
1988	—	—	1-for-5

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share +
1990	$ 1,038,331	$ 21.72
1989	1,062,587	22.24
1988	1,191,216	24.91
1987	1,011,022	25.42
1986	516,902	26.29

‡ After allowing for preferred stock at liquidation value of $40 per share.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *
(000's)

Year ended	1/27/90	1/28/89
Net sales	$ 2,991,845	$ 3,216,556
Cost of sales	2,259,294	2,393,261
Expenses	658,651	710,790
Restruc. costs	39,265	—
Settle. of litigation	1,500	4,450
Terminated acq. costs	—	25,000
Severance expenses	—	26,190
Interest expense	167,813	168,770
Prov.-loss on sale of assets	27,499	—
Loss before taxes	$ (162,177)	$ (111,905
Income taxes	8,143	7,529
Loss-cont. oper.	$ (170,320)	$ (119,434)
Income (loss)-discont. oper.	236,668	(3,108)
Net Income (Loss)	$ 66,348	$ (122,542)
Extraord. gain	167,510	—
Net Income (Loss) & extraord. gain	$ 233,858	$ (122,542)

* Included in Costs and Expenses, Depreciation and Amortization: $127,653,000 in 1990 and $131,439,000 in 1988.

Assets
(000's)

As of	1/27/90	1/28/89
Cash & short-term invest.	$ 217,004	$ 37,411
Receiv., net	386,527	465,323
*Inventories	464,464	760,772
Assets of discont. oper.	—	131,417
Other curr. assets	47,429	73,555
Current Assets	$ 1,115,424	$ 1,468,478
#Fixed assets	558,358	749,266
Purch. price in exc. of assets. acq.	968,128	1,099,728
Other assets	174,862	255,849
Total Assets	$ 2,816,772	$ 3,573,321

Liabilities
(000's)

Notes payable	$ 38,437	$ 42,607
Long-term debt, curr.	8,356	34,724
Accts. payable	229,544	297,261
Accruals	288,159	302,737
Other curr. liabilities	16,802	16,133
Curr. Liabilities	$ 581,298	$ 693,462
Long-term debt	1,052,206	1,636,545
Cap. lease oblig.	19,194	29,524
Deferred inc. taxes	80,493	105,953
+Preferred stock	181	181
+Common stock	4,781	4,777
Add. paid-in capital	974,559	975,578
Retained earnings	97,966	109,422
For. curr. trans. adjust.	9,523	18,806
Treasury stock	—	(927)
Pension eq. adjust.	(3,429)	—
Total Liabilities & Shareholders' Equity	$ 2,816,772	$ 3,573,321

* At lower of cost (FIFO or retail) or market, but not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	6.12	—
Sales to Inventories	6.44	4.23
Debt to Equity	1.03	1.57
Working Capital	$ 534,126,000	$ 775,016,000
Current Ratio	1.92	2.12
Shareholders' Equity	$ 1,083,581,000	$ 1,107,837,000

Wiener Enterprises, Inc.

5725 Powell Street
Harahan, Louisiana 70123
(504) 733-7055
FAX: (504) 733-7055

Mailing address:
P.O. Box 23607
Harahan, Louisiana 70183

Officers: Gordon R. Solway, chairman of the board; Martin E. Lewis, president & chief executive officer; J. Michael Doherty, sr. v.p., secretary and treasurer; Frank C. Shows, v.p.; Noel J. Achor, v.p.; W. Wayne Foster, v.p.; Dean M. Haulton, v.p.; John Vinci, II, v.p..

Directors: Gordon R. Solway, chairman; Philip C. Keevil, Dean M. Haulton*, C. Gorham Phillips, Martin E. Lewis*, Milton F. Lewis*, James E. Morrow, James S. Lyons.

* Member of the Executive Committee

Business Activities: Operates specialty apparel shops and shoe stores in Louisiana, Texas, Florida, Arkansas, Mississippi and Alabama. These stores operate under the names "Shoe Town" and "Shoe Lodge," "Danny's" and "The Ranch" (apparel and shoe operations). Also operates 10 "Builderama" building materials retail stores in Georgia and South Carolina.

Subsidiary:

Builderama, Inc.
Stores offer a wide range of merchandise, including lumber, hardware, plumbing and electrical supplies, kitchen and bath products, lawn and garden supplies and other miscellaneous home accessories.

Transfer Agent(s):

Texas Commerce Bank, N.A.
Texas Commerce Tower - 600 Travis
Houston, Texas 77002

Stock Exchange(s): American

Ticker Symbol: WPB

Number of Stores: (at fiscal year end)

1990	123	1987	119
1989	127	1986	112
1988	120		

Sales & Earnings

	Net Sales	Net Income
1990	$ 86,289,000	$ (4,627,000)
1989	88,112,000	360,000
1988	84,711,000	847,000
1987	75,381,000	1,407,000
1986	58,194,000	1,996,000

	No. of Com. Shares	Earn. per Share ‡
1990	2,336,000	$ —
1989	2,336,000	0.15
1988	2,336,000	0.36
1987	2,336,000	0.60
1986	2,336,000	0.85

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Revenues by Line of Business

	1989	1988
Shoes & apparel	$ 57,532,000	$ 57,543,000
Home improvement & bldg. materials	28,757,000	30,569,000
Total	$ 86,289,000	$ 88,112,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.12	—	—
1989	0.24	—	—
1988	0.40	—	—
1987	0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 10,143,000	$ 4.34
1989	15,050,000	6.44
1988	15,249,000	6.53
1987	15,336,000	6.56
1986	14,863,000	6.36

Income Account *

Year ended	1/27/90	1/28/89
Net sales	$ 86,289,000	$ 88,112,000
Cost of sales	53,554,000	53,085,000
Expenses	34,323,000	33,104,000
Interest expense	1,443,000	1,351,000
Write-off of intangibles	2,863,000	—
Inc. (loss) bef. taxes	$ (5,894,000)	$ 572,000
Income taxes (credit)	(1,267,000)	212,000
Net Income (Loss)	$ (4,627,000)	$ 360,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,720,000 in 1990 and $1,897,000 in 1989.

Assets

As of	1/27/90	1/28/89
Cash	$ 719,000	$ 609,000
Receiv., net	3,486,000	2,913,000
*Merchandise inventory	18,588,000	20,333,000
Prepaid expenses	680,000	693,000
Current Assets	$ 23,473,000	$ 24,548,000
#Fixed assets	5,623,000	6,704,000
Cost in exc. of assets acq.	—	2,950,000
Other assets	62,000	111,000
Total Assets	$ 29,158,000	$ 34,313,000

Liabilities

Notes payable	$ 4,325,000	$ 5,913,000
Long-term debt, curr.	1,074,000	1,065,000
Accts. pay. & accruals	7,345,000	4,968,000
Curr. Liabilities	$ 12,744,000	$ 11,946,000
Other liabilities	785,000	757,000
Long-term debt	5,486,000	6,560,000
+Common stock	2,336,000	2,336,000
Add. paid-in capital	66,000	66,000
Retained earnings	7,741,000	12,648,000
Total Liabilities & Shareholders' Equity	$ 29,158,000	$ 34,313,000

* At lower of cost or market as determined by the retail method. Building materials at LIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.65
%Net Income to Sales	—	0.41
%Net Income to Equity	—	2.39
Sales to Inventories	4.64	4.33
Debt to Equity	0.97	0.90
Working Capital	$ 10,7529,000	$ 12,602,000
Current Ratio	1.84	2.05
Shareholders' Equity	$ 10,143,000	$ 15,050,000

The William Carter Company

(Went private via a leveraged buyout on June 1, 1988.)

First Shelton Place
1000 Bridgeport Avenue
Shelton, Connecticut 06484
(203) 926-5010
FAX: (203) 925-0436

NOTE: The Company is privately held and does not provide financial information.

Officers: Robert J. Matura, president & chief executive officer; Lloyd P. Stauder, exec. v.p. & chief operating officer; Joseph M. Visconti, exec. v.p.-sales & marketing; Jay A. Berman, sr. v.p. & treasurer; Fred Brown, sr. v.p.-marketing; Ben Fox, sr. v.p.-manufacturing; Paul Seal, v.p.-human resources; Edward Locklin, sr. v.p.-inventory management, customer services & M.I.S.; Louis Falango, v.p.-finance; Jeremy R. Serwer, v.p.-Retail Division; David R. Tobin, v.p., general counsel, secretary & clerk.

Directors: Robert J. Matura, Robert Budwick, David James, Vincent J. Naimoli, Frank E. Richardson, III, Ted D. Simmons, Lloyd P. Stauder.

Business Activities: Engaged in the production and sale of infantswear and playwear, sleepwear and underwear for children, under the brand name of "Carter's." Operates outlet stores which sell irregulars, closeout merchandise, and non-Company products.

Number of Stores: (at fiscal year end)

1989	48	1986	62
1988	N. A.	1985	67
1987	58		

N.A.- Not Available

Winn-Dixie Stores, Inc.

5050 Edgewood Court
Post Office Box B
Jacksonville, Florida 32203
(904) 783-5000
FAX: (904) 783-5294

Officers: A. Dano Davis*, chairman of the board; Robert D. Davis*, vice chairman; James Kufeldt*, president & chairman of the executive committee; C. H. McKellar*, exec. v.p.-operations; Frank L. James*, exec. v.p.-retail planning & development; H. E. Hess, sr. v.p.; T. E. McDonald*, sr. v.p.; T. N. Alexander, v.p.-Greenville Division; J. H. Childers, v.p. & dir.-manufacturing; F. W. Hammond, v.p. & dir.-general merchandise; D. L. Kimsey, v.p.-Tampa Division; L. G. Libby, v.p. & dir.-security; H. F. Minshew, v.p. & dir.-meat merchandising; T. H. Moss, v.p. & dir.-human resources; C. R. Raulerson, v.p. & dir.-information systems; L. J. Sadlowski, v.p.-Fort Worth Division; E. T. Walters, v.p.-Miami Division; G. P. Woodard, v.p. & dir.-community affairs; Jack P. Jones, v.p. & dir.-associate relations & benefits; R. P. McCook*, financial v.p.; W. F. Brim, v.p. & dir.-deli/bakery merchandising; J. D. Bell, v.p.-director of services; J. L. Cooper, v.p.- director of manufacturing; C. E. Winge, v.p.-Jacksonville Division; R. J. Ehster, v.p.-Orlando Division; H. E. Miller, v.p.-Montgomery Division; J. R. Pownall, v.p.-Raleigh Division; R. A. Sevin, v.p.-New Orleans Division; B. B. Tripp, v.p.-Charlotte Division; L. H. May, v.p.-Miami Division; W. C. Calkins, v.p.-Louisville Division; W. H. Sutton, v.p.-Jacksonville Division; D. H. Bragin, treasurer; D. L. Whitford, director of produce; J. W. Critchlow, mgr.-Atlanta Division; J. Shephard Bryan, Jr., v.p., gen. counsel & secretary; H. S. Wadford, controller; M. I. McLin, gen. mgr.-Table Supply Division.

* Member of the Executive Committee

Directors: R. D. Davis*, chairman; James E. Davis*, A. D. Davis*, A. Dano Davis*, T. Wayne Davis, J. Shepard Bryan, Jr.*, C. W. Waldorf, Radford D. Lovett, Charles P. Stephens, F. L. James*, Armando M. Codina, James Kufeldt, C. H. McKellar, David F. Miller.

* Member of the Executive Committee

Business Activities: Operates Winn-Dixie food stores in Florida, Georgia, North Carolina, South Carolina, Alabama, Mississippi, Louisiana, Virginia, Kentucky, Tennessee, Indiana, Oklahoma and Texas.

Divisions:

Jacksonville Division
5233 Commonwealth Avenue
Jacksonville, Florida 32205

Greenville Division
Wade Hampton Boulevard
P.O. Box 1088
Greenville, South Carolina 29602

Montgomery Division
1550 Jackson Ferry Road
P.O. Box 2029
Montgomery, Alabama 36103

Tampa Division
2400 E. Hillsboro Avenue
P.O. Box 440
Tampa, Florida 33601

Atlanta Division
5400 Fulton Industrial Boulevard
P.O. Box 4809
Atlanta, Georgia 20331

Raleigh Division
2201 S. Wilmington Street
P.O. Box 511
Raleigh, North Carolina 27602

Louisville Division
720 Locust Avenue
P.O. Box 17121, Shelby Station
Louisville, Kentucky 40217

New Orleans Division
600 Edwards Avenue
P.O. Box 51509
New Orleans, Louisiana 70150

Charlotte Division
1105 Nevada Boulevard
Post Office Box 10156
Charlotte, North Carolina 28237

Orlando Division
4401 Seaboard Road
Orlando, Florida 32808

Miami Division
1141 S. W. 12th Avenue
Pompano Beach, Florida 33064

Fort Worth Division
5500 S. Freeway
Fort Worth, Texas 76115

Transfer Agent(s):

American Transtech, Inc.
New York, New York
Jacksonville, Florida

Stock Exchange(s): New York

Ticker Symbol: WIN

Number of Stores: (at fiscal year end)

1989	1,229	1986	1,262
1988	1,246	1985	1,262
1987	1,271		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1989	$ 9,151,145	$ 134,545
1988*	9,007,707	116,694
1987	8,803,899	112,300
1986	8,225,244	116,391
1985	7,774,480	107,895

	No. of Com. Shares	Earn. per Share ‡
1989	39,931,000	$ 3.36
1988*	39,907,000	2.87
1987	41,232,000	2.72
1986	41,311,000	2.84
1985	40,926,000	2.64

* 53 weeks.
‡ Based on the weighted average number of shares of common stock outstanding during each year.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 1.92	—	—
1988	1.86	—	—
1987	1.80	—	—
1986	1.74	—	—
1985	1.68	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 783,173,000	$ 19.61
1988	726,348,000	18.20
1987	739,418,000	17.93
1986	704,558,000	17.05
1985	646,777,000	15.81

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	6/28/89 (53 weeks)	6/29/88
Net sales	$ 9,151,145	$ 9,007,707
Cost of sales	7,137,745	7,016,255
Expenses	1,907,886	1,906,297
Other income	(117,116)	(101,841)
Interest expense	24,770	18,172
Income before taxes	$ 197,860	$ 168,824
Income taxes	63,315	52,130
Net Income	$ 134,545	$ 116,694

* Included in Costs and Expenses, Depreciation and Amortization: $136,007,000 in 1989 and $161,858,000 in 1988.

Assets
(000's)

As of	6/28/89	6/29/88
Cash & cash equiv.	$ 30,960	$ 132,383
Short-term invest.	97,193	—
Receiv., net	65,393	57,848
*Inventories	784,670	753,267
Prepaid expenses	52,785	45,385
Current Assets	$ 1,031,001	$ 988,883
Investments & other assets	50,540	41,817
Prepaid inc. taxes	66,918	54,319
#Fixed assets	426,681	428,962
Total Assets	$ 1,575,140	$ 1,513,981

Liabilities
(000's)

Short-term borrowings	$ —	$ 65,000
Cap. lease oblig. curr.	2,276	2,089
Accts. payable	332,797	317,663
Res. for insur. claims	49,514	45,173
Accruals	208,026	160,758
Income taxes	42,236	40,509
Current Liabilities	$ 634,849	$ 631,192
Cap. lease oblig.	72,402	63,095
Other long-term debt	—	24,200
Defined benefit plan	9,211	3,941
Reserve for insur. claims	75,505	65,205
+Common stock	40,130	42,299
Retained earnings	752,047	754,764
Treasury stock	(9,004)	(70,715)
Total Liabilities & Shareholders' Equity	$ 1,575,140	$ 1,513,981

* At lower of cost or market. Merchandise at LIFO; mfg. and produce at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.16	1.87
%Net Income to Sales	1.47	1.30
%Net Income to Equity	17.18	16.07
Sales to Inventories	11.66	11.96
Debt to Equity	0.10	0.21
Working Capital	$ 396,152,000	$ 357,691,000
Current Ratio	1.62	1.57
Shareholders' Equity	$ 783,173,000	$ 726,348,000

Value Merchants, Inc.

(formerly Wisconsin Toy Company, Inc.)

710 North Plankinton Avenue
Milwaukee, Wisconsin 53203
(414) 274-2575
FAX: (414) 274-2717

200 Fifth Avenue, #1061
New York, New York 10010
(212) 741-2125

(The Company is 54%-owned by Job Lot Trading Co., Inc., which is a wholly-owned subsidiary of Z.L. Company, Inc. Zilber Ltd., a Nevada corporation indirectly owns a 94% interest in Z.L.)

Officers: Phillip Cohen, chairman of the board & chief exec. officer; Steven J. Appel, president & chief oper. officer; Richard M. Wilson, exec. v.p. & president-Retail Division; Jay Cohen, exec. v.p. & pres.-Wholesale Division; Armen Bahad[illegible]an, sr. v.p.; A. Helene Johnson, v.p.-merchandising; [illegible] H. Katz, v.p.-retail operations; Ronald E. Skelton, v.p.-finance, treasurer & secretary.

Directors: Phillip Cohen, chairman of the board; Steven J. Appel, Arthur Borie, Richard M. Wilson, Jay Cohen, Joseph Zilber, Gerald Stein, James F. Janz, Fred A. Riebe, Robert B. Siegel, Imre J. Rosenthal.

Business Activities: The Company is a specialty retailer and wholesaler of quality close-out merchandise. The Company purchases large quantities of close-out merchandise and resells these items through a chain of retail close-out toy stores located in factory outlet malls, a chain of retail close-out variety stores located in regional shopping malls, and a wholesale close-out toy business.

The Company presently operates 79 retail close-out toy stores that generally operate under the name "Toy Liquidators" and are located in factory outlet malls occupied by manufacturers' outlet stores, other retail close-out stores, traditional discount and specialty retailers and off-price retail stores.

The Company also operates 61 retail close-out variety stores that operate under the name "Everything's A $1.00". These retail close-out variety stores are located in high-traffic, enclosed regional shopping malls primarily in the southeastern and south-central United States.

Divisions and Subsidiaries:

RETAIL OPERATIONS

Toy Liquidators
Retail close-out toy stores located in 30 states.

Everything's A $1.00
Retail close-out variety stores where each item, or group of items, is offered for sale for $1.00.

Transfer Agent(s):

First Bank (N.A.) Milwaukee
203 West Wisconsin Avenue
Milwaukee, Wisconsin 53203

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VLMR (NASDAQ)

Number of Stores: (at fiscal year end)

1990	140	1988	24
1989	50	1987	6

Sales & Earnings

	Net Sales	Net Income †
1990*	$ 72,851,000	$ 4,348,000
1989	52,586,000	3,598,000
1988	36,206,000	2,538,000
1987	35,364,000	2,794,000
1986	21,820,000	698,000

	No. of Com. Shares	Earn. per Share † ‡
1990*	5,010,000	$ 0.92
1989	4,650,000	0.77
1988	4,650,000	0.59
1987	3,750,000	0.69+

* 53 weeks.
+ Pro forma, unaudited.
† Including extraordinary gain of $567,000 ($0.14 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1989	1988
Toy:		
Retail	$ 39,944,000	$ 25,524,000
Wholesale	25,021,000	27,062,000
EAD variety	7,886,000	—
Total	$ 72,851,000	$ 52,586,000

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 27,095,000	$ 5.41
1989	18,823,000	4.05
1988	15,225,000	3.27
1987	5,379,000	1.43
1986	7,582,000	—

Income Account *

Year ended	2/3/90 (53 weeks)	1/28/89
Net sales	$ 72,851,000	$ 52,586,000
Cost of sales	41,901,000	32,667,000
Expenses	23,423,000	14,259,000
Service fee income	(504,000)	(500,000)
Interest expense	828,000	330,000
Income before taxes	$ 7,203,000	$ 5,830,000
Income taxes	2,713,000	2,232,000
Minority interest	142,000	—
Net Income	$ 4,348,000	$ 3,598,000

* Included in Costs and Expenses, Depreciation and Amortization: $971,000 in 1989 and $521,000 in 1988.

Assets

As of	2/3/90	1/28/89
Cash	$ 708,000	$ 251,000
Accts. receiv., net	5,432,000	2,824,000
*Inventories	28,080,000	20,501,000
Prepaid expenses	1,826,000	417,000
Future inc. tax benefits	646,000	624,000
Current Assets	$ 36,692,000	$ 24,617,000
#Fixed assets	8,092,000	2,299,000
Intangibles	3,340,000	—
Other assets	506,000	452,000
Total Assets	$ 48,630,000	$ 27,368,000

Liabilities

Short-term borrowings	$ 8,655,000	$ 1,725,000
Long-term debt, curr.	106,000	—
Accts. payable	8,303,000	4,241,000
Accruals	2,025,000	317,000
Accrued income taxes	848,000	1,964,000
Curr. Liabilities	$ 19,937,000	$ 8,247,000
Long-term debt	556,000	298,000
Minority interest	1,042,000	—
+Common stock	50,000	47,000
Add. paid-in capital	12,193,000	8,272,000
Retained earnings	14,852,000	10,504,000
Total Liabilities & Shareholders' Equity	$ 48,630,000	$ 27,368,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.89	11.09
%Net Income to Sales	5.97	6.84
%Net Income to Equity	16.05	19.11
Sales to Inventories	2.59	2.57
Debt to Equity	0.34	0.11
Working Capital	$ 16,755,000	$ 16,370,000
Current Ratio	1.84	2.98
Shareholders' Equity	$ 27,095,000	$ 18,823,000

Wolohan Lumber Co.

1740 Midland Road
P.O. Box 3235
Saginaw, Michigan 48605
(517) 793-4532
FAX: (517) 793-4582

Officers: David F. Wallace, chairman of the board; James L. Wolohan, president & chief executive officer; Robert F. Anderson, exec. v.p., secretary & chief financial officer; Thomas R. Wolohan, v.p.- corporate development; David G. Honaman, v.p.-administration; Edward J. Dean, corp. controller; Gary D. Sellers, v.p.-operations; Timothy J. Stein, v.p.-merchandising; James R. Krapohl, treasurer & asst. secretary.

Directors: David F. Wallace, chairman; Robert F. Anderson, Richard V. Wolohan, James L. Wolohan, Herbert H. Lyon, Hugo E. Braun, Jr., Ervin E. Wardlow, Jack M. Ryder, F.R. Lehman.

Business Activities: A full-line retailer of lumber and building materials and related products used primarily for new-home construction and home-improvement and maintenance projects, provides service to both the consumer/do it yourself and professional contractor customers.

Transfer Agent(s):

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WLHN (NASDAQ)

Number of Stores: (at fiscal year end)

1989	47
1988	45
1987	42
1986	39
1985	35

Sales & Earnings

	Net Sales	Net Income #
1989	$ 272,132,000	$ 10,900,000
1988	257,800,000	11,220,000
1987	228,614,000	9,010,000
1986	194,351,000	5,278,000
1985	150,732,000	3,492,000

	No. of Com. Shares ‡	Earn. per Share #‡
1989	6,467,000	$ 1.69
1988	6,443,000	1.74
1987	6,466,000	1.39
1986	6,446,000	0.82
1985	6,438,000	0.54

# Including extraordinary loss of $189,000 ($0.03 per share) in 1989.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Revenues by Line of Business

	1989	1988	1987	1986
Dimension lumber	13.2 %	13.8 %	14.5 %	13.2 %
Sheathing plywood	6.8	6.4	6.8	6.9
Other forest products	15.1	15.6	15.1	14.6
Building materials	17.4	17.2	17.8	19.2
Hardware	9.1	9.0	8.2	9.0
Home decoration	2.9	2.8	2.7	2.8
Millwork	17.6	17.8	18.4	17.9
Kitchen cabinets & vanities	5.1	4.0	3.6	3.7
Plumbing, heating & electrical	9.0	9.5	9.4	9.4
Trusses & components	3.8	3.9	3.5	3.3
Total	100.0 %	100.0 %	100.0 %	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1989	$ 0.26	10%	—
1988	0.23	—	—
1987	0.19	—	—
1986	0.15	—	—
1985	0.15	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1989	$ 62,352,000	$ 9.63
1988	52,676,000	8.20
1987	43,031,000	6.70
1986	35,637,000	5.53
1985	31,296,000	4.86

‡ Adjusted to reflect stock dividend.

Income Account

Year ended Dec. 31	1989	1988
Net sales	$ 272,132,000	$ 257,800,000
Cost of sales	193,856,000	185,749,000
Other income	(2,882,000)	(2,726,000)
Expenses	51,031,000	49,554,000
Depreciation	5,017,000	4,308,000
Interest expense	2,637,000	2,872,000
Income before taxes	$ 17,473,000	$ 18,043,000
Income taxes	6,384,000	6,823,000
Net Income	$ 11,089,000	$ 11,220,000
Extraord. loss	(189,000)	—
Net Income & extraord. loss	$ 10,900,000	$ 11,220,000

Assets

As of Dec. 31	1989	1988
Cash & cash equiv.	$ 25,666,000	$ 25,673,000
Trade receiv.	14,460,000	14,784,000
*Inventories	25,772,000	26,599,000
Other curr. assets	1,790,000	936,000
Current Assets	$ 67,688,000	$ 67,992,000
#Fixed assets	42,750,000	40,350,000
Other assets	1,122,000	1,096,000
Total Assets	$ 111,560,000	$ 109,438,000

Liabilities

	1989	1988
Long-term debt, curr.	$ 1,834,000	$ 2,016,000
Accts. payable	9,598,000	12,657,000
Employee compensation & accruals	7,088,000	8,547,000
Contrib. to profit sharing trust	1,375,000	1,560,000
Income taxes	667,000	1,367,000
Curr. Liabilities	$ 20,562,000	$ 26,147,000
Long-term debt	26,089,000	27,950,000
Deferred inc. taxes	2,557,000	2,665,000
+Common stock	6,560,000	5,957,000
Add. paid-in capital	11,806,000	1,287,000
Retained earnings	44,816,000	46,635,000
Treasury stock	(830,000)	(1,203,000)
Total Liabilities & Shareholders' Equity	$ 111,560,000	$ 109,438,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.42	7.00
% Net Income to Sales	4.07	4.35
% Net Income to Equity	17.78	21.30
Sales to Inventories	10.56	9.69
Debt to Equity	0.45	0.57
Working Capital	$ 47,126,000	$ 41,845,000
Current Ratio	3.29	2.60
Shareholders' Equity	$ 62,352,000	$ 52,676,000

Woodward's Limited

101 West Hastings Street
Vancouver, British Columbia V6B 4G1, Canada
(604) 684-5231
FAX: (604) 662-4938

Officers: Hani J. Zayadi, president & chief executive officer; George J. Heller, exec. v.p.; Marc R. Chouinard, sr. v.p.-finance; Gary P. Kershaw, sr. v.p.-merchandising & marketing; Donald L. Hamilton, regional v.p.-Alberta; John R. Grauer, v.p.-real estate & planning; Patricia Ann Fisher, v.p.-information services; Richard Michael Freeman, regional v.p.-B.C.; James C. Donald, v.p.-Specialty Stores; Leonard E. Laycock, v.p.-marketing; Larry William Seniowski, controller & secretary; William H. Grant, treasurer; Eric Brian Dempster, asst. secretary.

Directors: Charles Namby Wynn Woodward*, chairman; H.A. Arrell, William Douglas Haig Gardiner*, James Norman Hyland, Don F. Priddle, Frank Allan Robertson*, Margaret Elizabeth Southern, S. Elizabeth Russ, Joseph L. Braithwaite, Jennifer L. Witterick, Hani J. Zayadi, Frances Ruth Olson.

* Member of the Executive Committee

Business Actitivities: Owns and operates retail outlets in British Columbia and Alberta. There are 26 Woodward's department stores, four Abercrombie & Fitch specialty stores offering high-quality casual apparel and sporting goods products, and 24 Woodwynn Stores, offering moderately priced family fashions, linens and bedding.

Subsidiaries:

Abercrombie & Fitch Co. (Canada) Inc.
Locarno Investments Limited
Thirty-one Purchasing Service Limited
Woodwynn Merchandising Ltd.
Lansdowne Food Fair Services Limited
Woodward Stores (London) Limited
Del Pak Foods Limited
Britalta Wholesale Drugs Limited

Transfer Agent(s):

Montreal Trust Company
Vancouver, British Columbia, Toronto, Ontario; Calgary, Alberta.

Stock Exchange(s): Montreal, Toronto, Vancouver, Alberta

Ticker Symbol: WDSA

Number of Stores: (at fiscal year end)

1990	54
1989	54
1988	48
1987	26
1986	26

Sales & Earnings x

	Net Sales † (000's)	Net Income # (000's)
1989	$ 717,158,000	$ (41,862,000)
1988	699,110,000	(11,940,000)
1987	816,925,000	(2,057,000)
1986*	1,140,441,000	(6,684,000)
1986	1,120,742,000	4,813,000

	No. of Com. Shares	Earn. per Share #‡
1989	19,071,384	$ —
1988	18,333,682	—
1987	17,493,065	—
1986*	16,769,588	—
1985	15,861,113	0.26

(Loss)
* 53 weeks.
x Restated to reflect a change in the method of application of the retail method of accounting for the valuation of merchandise inventories.
† Including service charges.
# Excluding extraordinary items.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1989	$ 0.10	—	—
1988	0.25	—	—
1987	0.25	—	—
1986	0.35	—	—
1985	0.40	—	—

Common Stock Equity x

	Total Equity	Equity Per Share
1989	$ 61,817,000	$ 3.24
1988	120,781,000	6.34
1987	132,690,000	6.97
1986	135,572,000	7.14
1986	142,735,000	7.57

x Restated.

Income Account
(000's)

Year ended	1/27/90	1/28/89‡
Net sales & other oper. rev.	$ 717,158	$ 699,110
Cost of sales & expenses	736,780	684,916
Depreciation & amort.	13,021	12,892
Interest expense	9,219	15,347
Loss before taxes	$ (41,862)	$ (14,045)
Tax credit	—	(2,105)
Net Loss	$ (41,862)	$ (11,940)
Extraord. loss	(17,183)	—
Net Loss & extraord. loss	$ (59,045)	$ (11,940)

‡ Restated.

Assets
(000's)

As of	1/27/90	1/28/89‡
Cash	$ 1,720	$ 1,541
Accts. receiv., net	12,647	12,625
*Inventories	110,554	108,189
Prepaid expenses	1,204	1,662
Current Assets	$ 126,125	$ 124,017
Cash collateral acct.	40,654	48,474
Investments	3,111	3,111
#Fixed assets	45,214	52,123
Assets under cap. leases	7,520	12,195
Def. inc. taxes	28,142	28,554
Other assets	7,611	7,281
Total Assets	$ 258,377	$ 275,755

Liabilities
(000's)

Notes payable	$ 11,843	$ 10,341
Long-term debt & cap. lease oblig. curr.	3,851	6,094
Accts. payable & accruals	63,870	37,484
Curr. Liabilities	$ 79,564	$ 53,919
Long-term debt	90,425	71,081
Cap. lease oblig.	7,670	11,387
Def. gains & other credits	18,901	18,587
+Common stock	31,448	29,534
Add. paid-in capital	1,270	1,270
Retained earnings	29,099	89,977
Total Liabilities & Shareholders' Equity	$ 258,377	$ 275,755

‡ Restated.
* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	6.49	6.46
Debt to Equity	0.44	0.36
Working Capital	$ 46,561,000	$ 70,098,000
Current Ratio	1.59	2.30
Shareholders' Equity	$ 258,377,000	$ 275,755,000

Woolworth Corporation

(formerly F.W. Woolworth Co.)

Woolworth Building
233 Broadway
New York, New York 10279
(212) 553-2000
FAX: (212) 553-2042

Officers: Harold E. Sells, chairman of the board & chief exec. officer; Frederick E. Hennig, president & chief operating officer; Ronald J. Berens, sr. v.p.-U.S. Apparel Group; Arnold S. Anderson, exec. v.p.-administration & general counsel; William K. Lavin, exec. v.p.-finance & chief financial officer; John H. Cannon, v.p. & treasurer; Ted M. Annenberg, v.p.-deputy general counsel; Roy L. Garofalo, v.p.-investor relations; Aubrey C. Lewis, v.p.-corporate liaison; C. Jackson Gray, v.p.-corporate planning & development; Thomas E. Page, v.p.-controller; Henry C. Miner, III, v.p.-taxation; Gary H. Brown, v.p.-real property; Charles T. Young, v.p.-management information systems; William R. Forcht, v.p.-human resources; William B. Thomson, v.p.-public affairs; Jacqueline D. Delafuente, asst. v.p.; James J. O'Neil, asst. v.p.; Michael T. Steven, asst. controller; Laura T. Kirsner, asst. controller; Gary M. Bahler, secretary; Christopher J. Hoey, asst. secretary; S. William Manteria, asst. secretary; James J. Pirretti, asst. secretary; Bohdan S. Kosovych, asst. secretary; Frances E. Trachter, asst. secretary; Dennis E. Sheehan, asst. secretary; Alfonso Tino, asst. treasurer; Glen R. Goff, general auditor.

Directors: Harold E. Sells*, chairman; Robert C. Kirkwood, honorary director; Fred Kirby*, Seymour H. Knox, III*, Margaret P. MacKimm*, John W. Adams*, Jarobin Gilbert, Jr.*, Eugene J. Sullivan*, James E. Preston*, Helen Galland*, John J. Mackowski*, John W. Lynn*, Frederick E. Hennig.

* Member of the Executive Committee

Business Activities: Operates over 1,600 general merchandise retail stores under the Woolworth, Woolco, and Mini Shops names throughout the U.S., and in Canada, Mexico, and West Germany. The Company also operates 6,400 specialty stores and leased departments in the U.S., Canada, West Germany, and Australia. Specialty stores operations include 1,697 Kinney family shoe stores, 1,309 Foot Locker athletic footwear and apparel stores, 596 Lady Foot Locker athletic footwear and apparel stores and leased departments located in Woolco stores, 155 Mathers family shoe stoes, 196 Athletic X-Press family athletic footwear and apparel stores, 171 Williams the Shoemen family shoe stores, 430 Kids Mart infants' and children's apparel stores, 224 Susie's women's clothing stores, 314 Afterthoughts/Carimar and 43 Rubin costume jewelry, handbags and accessories stores, 145 Richman men's and women's apparel stores, 139 Anderson-Little women's and men's clothing stores, 89 Fredelle women's high-fashion apparel stores, 89 Randy River stores which sell women's high-fashion footwear in Australia and men's clothing in Canada, 199 Champs athletic equipment, footwear and activewear stores, 102 Sportelle women's casual apparel stores, 42 Raglans unisex casual apparel stores, 78 Moderna/De Schuh family shoe stores in West Germany, 66 Robinson's stores which sell apparel and other merchandise, 72 Northern Reflections stoers which sell women's outdoor sportswear, 39 Footquarters discount family shoe stores, 39 Canary Island stores featuring men's and women's travel and vacation apparel, and 26 Little Folk Shops featuring brand-name infants' and children's apparel, among others.

Divisions and Subsidiaries:

F.W. Woolworth Co. Limited, Canada
Retail Company of Germany, Inc.

Kinney Shoe Corporation
New York, New York

The Richman Brothers Company
Fall River, Massachusetts

The RX Place
Holtzman's Little Folk Shop, Inc.
U.S. Woolworth Division
Woolworth Oversea Corp.
Woolworth Mexicana, S.A. de C.V. (49% owned)

Transfer Agent(s):

First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): New York, Toronto, Boston*, Cincinnati*, Midwest*, Philadelphia*, Pacific* *Unlisted trading privileges

Ticker Symbol: Z

Number of Stores:* (at fiscal year end)

1989	8,074	1986	6,309
1988	7,739	1985	5,822
1987	6,799		

* Includes leased departments.

Sales & Earnings

	Revenues ‡	Net Income
1989	$ 8,820,000,000	$ 329,000,000
1988	8,088,000,000	288,000,000
1987	7,177,000,000	251,000,000
1986	6,531,000,000	214,000,000
1985	5,990,000,000	177,000,000

	No. of Com. Shares †	Earn. per Share †
1989	64,300,000	$ 5.11
1988	64,300,000	4.47
1987	65,900,000	3.81
1986	65,600,000	3.25
1985	63,900,000	2.75

‡ Includes sales of leased departments; of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1989	1988
Specialty:		
Kinney Shoe Corporation	$ 3,042,000	$ 2,574,000
Richman Brothers	293,000	283,000
Little Folk/Kids Mart	189,000	160,000
Other	253,000	163,000
General Merchandise:		
U.S. Woolworth	2,169,000	2,097,000
Woolworth Canada	1,867,000	1,732,000
Woolworth Germany	1,128,000	1,178,000
Corp. & intersegment	(121,000)	(99,000)
Total	$ 8,820,000	$ 8,088,000

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1989	$ 1.88	—	—
1988	1.64	—	—
1987	1.32	—	—
1986	1.12	—	2-for-1
1985	1.00	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1989	$ 2,069,000,000	$ 32.08
1988	1,836,000,000	28.69
1987	1,707,000,000	26.54
1986	1,473,000,000	22.49
1985	1,205,000,000	18.80

‡ After allowing for preferred stock at involuntary liquidation value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/27/90	1/28/89
Revenues	$ 8,820,000	$ 8,088,000
Cost of revenues	5,759,000	5,333,000
Expenses	2,242,000	2,063,000
Depreciation & amortization	204,000	177,000
Interest expense	101,000	71,000
Income before taxes	$ 514,000	$ 444,000
Income taxes	185,000	156,000
Net Income	$ 329,000	$ 288,000

Assets

As of	1/27/90	1/28/89
Cash & cash equiv.	$ 56,000	$ 81,000
*Inventories	1,963,000	1,715,000
Other curr. assets	216,000	153,000
Current Assets	$ 2,235,000	$ 1,949,000
#Fixed assets	1,380,000	1,278,000
Leased prop. under cap. leases	67,000	78,000
Other assets	225,000	230,000
Total Assets	$ 3,907,000	$ 3,535,000

Liabilities

Long-term debt & cap. lease oblig., curr.	$ 19,000	$ 23,000
Accts. payable	791,000	693,000
Accruals	410,000	380,000
Dividends payable	30,000	26,000
Income taxes	49,000	44,000
Curr. Liabilities	$ 1,299,000	$ 1,166,000
Long-term debt	223,000	252,000
Oblig. under cap. leases	83,000	95,000
Other liabilities	132,000	104,000
Defer. income taxes	94,000	74,000
+Preferred stock	1,000	1,000
++Common stock	222,000	247,000
Retained earnings	1,747,000	1,586,000
Treasury stock	(3,000)	(92,000)
For curr. trans. adj.	109,000	102,000
Total Liabilities & Shareholders Equity	$ 3,907,000	$ 3,535,000

* At lower of cost or market. LIFO for domestic inventories, FIFO for foreign.
# Less accumulated depreciation.
+ $1 par value. $2.20 Series A, convertible.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	5.83	5.49
%Net Income to Revenues	3.73	3.56
%Net Income to Equity	15.85	15.62
Debt to Equity	0.16	0.20
Working Capital	$ 936,000,000	$ 783,000,000
Current Ratio	1.72	1.67
Shareholders' Equity	$ 2,076,000,000	$ 1,844,000,000

Zion's Co-operative Mercantile Institution

2200 South 900 West
Salt Lake City, Utah 84137
(801) 321-6179
FAX: (801) 321-6275

Officers: Marvin J. Ashton, chairman of the board; L. Tom Perry, vice chairman; Richard H. Madsen, president & chief executive officer; Darrell F. Robinette, v.p.-stores; Keith C. Saunders, executive v.p., chief financial officer & secretary; R. Barry Arnold, v.p. & general merchandising manager; Nancy Mortenson, v.p.-marketing services; Ronald L. Culverwell, asst. secretary & treasurer.

Directors: L. Tom Perry, Spencer F. Eccles, Patricia Madsen, Marvin J. Ashton, A. Blaine Huntsman, Dan S. Bushnell, James S. Jardine, Keith C. Saunders, Lela Ence, Patricia T. Holland, Richard H. Madsen.

Business Activities: Operates 12 ZCMI department stores in Utah and Idaho.

Transfer Agents:

Zion's Co-operative Mercantile Institution
Salt Lake City, Utah 84137

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1990	12
1989	13
1988	10
1987	10
1986	10

Sales & Earnings

	Net Sales ‡	Net Income	No. of Com. Shares	Earn. per Share †
1990	$ 194,479,581	$ 1,786,822	2,151,993	$ 0.83
1989	189,009,144	2,244,676	2,154,374	1.04
1988	184,158,029	(163,458)	2,153,362	—
1987	184,259,332	2,254,819	2,161,457	1.04
1986	164,783,867	1,711,279	2,161,509	0.79

(Loss)
‡ Includes other income.
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1990	$ 0.60	—	—
1989	0.60	—	—
1988	0.60	—	—
1987	0.60	—	—
1986	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1990	$ 52,397,617	$ 24.35
1989	51,930,252	24.10
1988	50,969,773	23.67
1987	52,561,269	24.32
1986	51,619,114	23.88

Income Account *

Year ended Jan. 31	1990	1989
Net sales & other income	$ 194,479,581	$ 189,009,144
Cost of sales	127,849,245	123,166,937
Expenses	59,763,021	58,677,296
Interest expense	4,029,393	3,601,535
Income before taxes	$ 2,837,922	$ 3,563,376
Income taxes	1,051,100	1,318,700
Net Income	$ 1,786,822	$ 2,244,676

* Included in Costs and Expenses, Depreciation and Amortization: $3,937,561 in 1990 and $3,992,720 in 1989.

Assets

As of Jan. 31	1990	1989
Cash	$ 3,046,457	$ 1,338,422
Receiv., net	48,659,450	46,731,796
*Inventories	34,260,373	33,737,774
Prepaid expenses	465,904	399,336
Current Assets	$ 86,432,184	$ 82,207,328
#Fixed assets	32,637,521	32,392,334
Other assets	791,180	791,180
Total Assets	$ 119,860,885	$ 115,390,842

Liabilities

Long-term debt, curr.	$ 220,509	$ 222,856
Cap. lease oblig., curr.	766,997	1,146,803
Accts. payable	6,534,044	6,098,865
Short-term borrowings	8,750,000	7,750,000
Accrued payroll	1,986,733	1,790,882
Other accruals	7,933,290	7,102,101
Deferred inc. taxes	2,050,867	3,492,814
Curr. Liabilities	$ 28,242,440	$ 27,604,321

Zion's Co-operative Mercantile Institution

Long-term debt	20,976,786	17,178,422
Cap. lease oblig.	18,244,042	18,627,393
Deferred inc. taxes	—	50,454
+Common stock	14,904,704	14,904,704
Retained earnings	37,747,357	37,252,914
Treasury stock	(254,444)	(227,366)
Total Liabilities & Shareholders' Equity	$ 119,860,885	$ 115,390,842

* At lower of cost (LIFO) or market.
** Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.46	1.89
%Net Income to Sales	0.92	1.19
%Net Income to Equity	3.41	4.32
Debt to Equity	0.77	0.87
Working Capital	$ 58,189,744	$ 54,603,007
Current Ratio	3.06	2.98
Shareholders' Equity	$ 52,397,617	$ 51,930,252

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